



Moraga-Orinda Fire District

Board of Directors

REGULAR MEETING

December 7, 2016

6:00 p.m. CLOSED SESSION

7:00 p.m. OPEN SESSION

PLEASE NOTE NEW MEETING ADDRESS:

Sarge Littlehale Community Room

Orinda City Hall

22 Orinda Way

Orinda, CA 94563

1. OPENING CEREMONIES

- 1.1. Call the meeting to Order
- 1.2. Roll Call
- 1.3. Core Values – Service, Honor, Integrity

2. PUBLIC COMMENT

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

3. CLOSED SESSION

3.1. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

Employee Organization: International Association of Firefighters IAFF, Local 1230

3.2. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

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

3.3. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

Employee Organization: Moraga-Orinda Fire Chief Officer's Association (MOFCOA)

4. RECONVENE THE MEETING

- 4.1. Call the Meeting to Order
- 4.2. Pledge of Allegiance

5. REPORT OF CLOSED SESSION ACTION

6. PUBLIC COMMENT

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

7. CONSENT AGENDA

7.1. **Meeting Minutes – November 16, 2016**

Staff Recommendation: Receive and File

7.2. **Monthly Check Register – November 2016**

Staff Recommendation: Receive and File

8. REGULAR CALENDAR

8.1. **Actuarial Valuation June 30, 2016 and General Fund Budget Adjustment and Additional Contribution of \$138,000 into the OPEB trust account for FY2016/17**

Staff will present information to the Board regarding the Actuarial Valuation June 30, 2016 and General Fund Budget Adjustment and Additional Contribution of \$138,000 into the OPEB trust account for FY2016/17.

Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Receive report and authorize the General Fund Budget Adjustment expenditure appropriation increase of \$138,000 for the OPEB pre-funding contribution and an additional contribution of \$138,000 into the OPEB trust account for FY2016/17 for the updated OPEB pre-funding contribution.

9. COMMITTEE REPORTS

9.1. **Finance Committee**

10. ANNOUNCEMENTS

10.1. **Brief information only reports related to meetings attended by a Director at District expense**

(Government Code Section 53232.3(d))

10.2. **Questions and informational comments from Board members and Staff**

10.3. **District Updates for October 2016**

11. ADJOURNMENT

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

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Moraga-Orinda Fire District to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspections at 1280 Moraga Way, Moraga, during normal business hours.

I hereby certify that this agenda in its entirety was posted on December 2, 2016, at the Moraga and Orinda Fire Administration offices, Stations 41, 42, 43, 44, and 45. Agenda provided to the Moraga Town Office (Hacienda) and Orinda City Hall.



Grace Santos, District Clerk



Moraga-Orinda Fire Protection District

BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

November 16, 2016

1. Opening Ceremonies

The Board of Directors convened in Open Session at 7:00 P.M. on November 16, 2016 at the Hacienda Mosaic Room, 2100 Donald Drive, Moraga, California. President Anderson called the meeting to order.

Present were the following Directors and Staff:

President Anderson	Director Weil
Director Barber	Stephen Healy, Fire Chief
Director Evans	Gloriann Sasser, Admin Services Director
Director Famulener	Grace Santos, District Clerk

2. Public Comment

Richard Olsen, Moraga resident, commented on the Standards of Cover item discussed at the November 2 meeting. Mr. Olsen intended to state that he fully supports the immediate re-establishment of a fully staffed, full-time, year round Medic 45.

Director Weil made a statement to the MOFD firefighters. He appreciates all the respect they have shown him throughout the years and stated how much of an honor and privilege it has been to work with them.

3. Consent Agenda

Richard Olsen, Moraga resident, requested that the Board pull the minutes from the November 2 meeting to discuss separately.

Motion by Director Evans and seconded by Director Weil to pull Item 3.1 Meeting Minutes to discuss separately, and receive and file Items 3.2 Monthly Incident Report, 3.3 Monthly Financial Report, 3.4 Monthly Check/Voucher Register, 3.5 Quarterly Treasurer's Report, and 3.6 Quarterly Ambulance Billing Report. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

Richard Olsen, Moraga resident, asked that staff amend the November 2 Minutes to reflect that he thanked Chief Healy and staff for a fine report, but expressed his concern over the type of vehicle that would be purchased to replace the quint at Station 41. He also asked staff to include his concern over the change from the Standards of Cover of 2006 that also proposed a quint at Station 45.

Motion by Director Evans and seconded by Director Weil to receive and file Item 3.1 Meeting Minutes after amending to include Mr. Olsen's statement. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

4. Regular Calendar

4.1 2016-21 Strategic and Business Plans

On October 5, 2016, staff presented the draft 2016-21 Strategic and Business Plans.

Direction was given to staff to incorporate over 20 changes that were discussed during the October 5, 2016 meeting, as well as elements from the updated (2016) Standards of Cover Report. Those changes have been incorporated into the plans.

Chief Healy stated that staff did not include Attachment C with the packet. It was an internal working document, that staff used to track action items and due dates. He brought copies in for the Board and the public if they were interested in obtaining a copy.

After a discussion by members of the Board and staff, motion by Director Weil and seconded by Director Evans to incorporate the various changes discussed, schedule a review no later than

November of 2018, and approve the 2016-21 Strategic and Business Plans. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

4.2 Presentation of the District's Financial Transparency Site - OpenGov

One of the goals included in the 2016/17 Annual Operating Budget is to implement software that allows interested parties to access, explore and share District finance and budget information in order to increase financial transparency. The District has contracted with OpenGov, Inc. to provide financial transparency software.

The District is now one of 180 government agencies in California using OpenGov. The software provides instant online access for interested stakeholders to quickly and easily explore the District's current and historical revenues and expenditures, as well as assets and liabilities. At the touch of a button, users can create, analyze, and download customized reports and graphs summarizing up-to-date financial information. The software currently includes four fiscal years of data. This resource is a part of the District's ongoing effort to enhance transparency and public engagement in local government.

The site goes live on November 17, 2016. To access the information, visit the Financial Transparency section of the District's website at <http://www.mofd.org/about/financial-transparency>.

Gloriann Sasser, ASD, demonstrated the software. Paul Felton, Account Executive from OpenGov, was present to answer questions from the Board.

Director Barber recommended that the balance of the OPEB Trust be included in the information.

5. Committee Reports

5.1 Finance Committee (Directors Barber & Weil)

There was nothing to report.

6. Announcements

6.1 Brief information only reports related to meetings attended by a Director at District expense

(Government Code Section 53232.3(d))

There was nothing to report.


6.2 Questions and informational comments from Board members and Staff

District Clerk Santos announced that there will be a special meeting on December 14 at 5:30pm to discuss the Comprehensive Annual Financial report (CAFR).

Chief Healy announced that this would be the final meeting for both Director Alex Evans and Fred Weil. The District plans to celebrate all the hard work, effort, commitment and time they both contributed to the Moraga-Orinda Fire District on December 14.

7. Adjournment

At 8:40 P.M., President Anderson called for adjournment of the regular meeting.


Grace Santos
Secretary to the Board

Moraga-Orinda Fire District
 Check/Voucher Register - Check Register
 From 11/1/2016 Through 11/30/2016

Check Number	Check Date	Name	Check Amount	Transaction Description
24068	11/4/2016	ADP, Inc.	329.58	ADP Payroll Fees ending 10/15/16
24069	11/4/2016	ADT Security Services	42.99	Services 11/4/16-12/03/16- Admin bldg.
	11/4/2016	ADT Security Services	65.73	Services 11/9/16-12/08/16- Station 45
24070	11/4/2016	Jacob Airola	52.39	Reimb. lunches-class 10/24-10/26
24071	11/4/2016	Air Systems, Inc.	211.00	September 2016 HVAC Maint-St. #41
	11/4/2016	Air Systems, Inc.	410.00	September 2016 HVAC Maint-St. #42
	11/4/2016	Air Systems, Inc.	397.00	September 2016 HVAC Maint-St. #44
	11/4/2016	Air Systems, Inc.	431.00	September 2016 HVAC Maint-St. #45
24072	11/4/2016	A T and T Mobility	1,480.31	Phone Acct #287016079073 09/16/16-10/15/16 & pho...
24073	11/4/2016	Bandwidth.com, Inc.	415.43	Service 11/1/16-11/30/16
24074	11/4/2016	Jon Bensley	50.00	Shoes
24075	11/4/2016	Biomedical Waste Disposal	79.00	Oct. 2016 Medical Waste A/C #0349
	11/4/2016	Biomedical Waste Disposal	79.00	Oct. 2016 Medical Waste A/C #0350
24076	11/4/2016	Bound Tree Medical, LLC	179.56	Batteries for Lifepak
	11/4/2016	Bound Tree Medical, LLC	3,597.71	Misc supplies
24077	11/4/2016	FASIS - Calif Bank and Trust	176,564.00	2nd Qtr FY16/17 Workers Comp
24078	11/4/2016	Chang, Ruthenberg and Long	516.00	October legal services
24079	11/4/2016	Comcast	86.32	8155 40 005 0208428 Station 41-10/29/16-11/28/16
	11/4/2016	Comcast	86.32	8155 40 005 0208436 Station 42-10/24/16-11/23/16
	11/4/2016	Comcast	86.25	8155 40 006 0190996 Station 45-10/23/16-11/22/16
24080	11/4/2016	Concord Garden Equipment	941.76	VP 2 cycle and 4 cycle gas
24081	11/4/2016	Concord Uniforms	144.75	District Aide uniforms
24082	11/4/2016	Definitive Networks, Inc.	13,966.00	Service coverage for October 2016
24083	11/4/2016	Dell Financial Services	571.83	Rental & Admin Fee 11/13/16-12/12/16 A/C #001-8402...
24084	11/4/2016	Diablo Rapid Print	95.48	Business cards-Svozil
24085	11/4/2016	D R Thompson Construction	685.00	Ceiling repair-Admin
24086	11/4/2016	Fail Safe Testing	1,664.60	Ground ladders tested and maint.
24087	11/4/2016	Far Western Trophy & Award	44.35	Name plate for City of Orinda's MOFD counter
24088	11/4/2016	Far West Sanitation and Stora...	1,636.48	Service 10/01/16-10/31/16
24089	11/4/2016	Fireblast Global Inc.	2,800.00	Annual Maint. Service Agreement
24090	11/4/2016	Hunt & Sons, Inc.	813.45	Fuel A/C #72371
	11/4/2016	Hunt & Sons, Inc.	1,575.05	Fuel A/C #72372
	11/4/2016	Hunt & Sons, Inc.	440.82	Fuel A/C #72373
	11/4/2016	Hunt & Sons, Inc.	999.53	Fuel A/C #72375
24091	11/4/2016	LeapFrog Plumbing	415.00	Clean out sewer line-Admin.
24092	11/4/2016	L.N. Curtis & Sons	1,145.37	Wildland coats and pants-Wilson and Dulli
24093	11/4/2016	Managed Health Network	370.30	November 2016- EAP - 70 @ \$5.29
24094	11/4/2016	Mike Marquardt	604.15	Reimb. class 10/13/16, text and mileage-Marquardt
24095	11/4/2016	Mark McCullah	280.90	Fire Control 3A class and hotel reimb.-McCullah
24096	11/4/2016	Meyers,Nave,Riback,Silver,Wi...	4,691.14	September 2016-Client Matter 1025.001
	11/4/2016	Meyers,Nave,Riback,Silver,Wi...	1,786.37	September 2016-Client Matter 1025.005
24097	11/4/2016	Monte Deignan & Associates	2,985.00	Asbestos monitoring, testing and reporting
24098	11/4/2016	Moraga Hardware & Lumber	8.74	Cleaning supplies-Admin.
	11/4/2016	Moraga Hardware & Lumber	54.73	Tarps to cover plywood
24099	11/4/2016	Moraga Smog	300.00	Smog invoices 8806 ,8811, 8813, 8814, 8828 and 8850
24100	11/4/2016	National Construction Rentals	34.34	Overhead meter pole monthly rental- #30097433
	11/4/2016	National Construction Rentals	34.34	Overhead meter pole monthly rental- 10/19/16-11/15/16
24101	11/4/2016	Brad Nygard	50.00	Shoes
24102	11/4/2016	Office Depot	227.02	Copy paper, pens, sharpies, batteries and cleaning su...
	11/4/2016	Office Depot	88.65	Stamps for Orinda Planning Department counter
	11/4/2016	Office Depot	10.36	Surge protector
24103	11/4/2016	Pitney Bowes, Inc.	201.01	Red ink cartridges for postage machine
24104	11/4/2016	PLIC- SBD Grand Island	109.20	November 2016
24105	11/4/2016	Reinholdt Engineering Constr...	4,508.00	Move convault fuel tank from Station 43 to Station 45
24106	11/4/2016	Ricoh USA, Inc.	4,336.20	Copier Rental 11/01/16-01/31/17 A/C #200-3002747-1...
	11/4/2016	Ricoh USA, Inc.	439.43	Copies 07/14/16-10/13/16 Contract #3105240

Moraga-Orinda Fire District
 Check/Voucher Register - Check Register
 From 11/1/2016 Through 11/30/2016

Check Number	Check Date	Name	Check Amount	Transaction Description
24107	11/4/2016	Safeway, Inc	14.80	Water for Board meetings
24108	11/4/2016	SB Painting Inc.	2,000.00	Apparatus door painting
24109	11/4/2016	Staples Advantage	182.69	Misc. supplies-Station 41
	11/4/2016	Staples Advantage	186.50	Misc. supplies-Station 45
24110	11/4/2016	Stewart Enterprises II	11,618.96	Reimb. expenses 10/19/16-10/20/16-CCC permits and...
	11/4/2016	Stewart Enterprises II	5,175.08	Reimb. expenses-PG&E engineering and Staples sup...
24111	11/4/2016	U.S. Bank	18,745.11	A/C #4246-0445-5564-6748 09/22/16
24112	11/4/2016	Wittman Enterprises, LLC	4,672.86	September 2016
24113	11/4/2016	World Point ECC, Inc.	679.25	CPR supplies
24114	11/10/2016	A-1 Door Service	2,550.00	Security door installation-Admin
24115	11/10/2016	AFSCME Council 57	168.15	Period Ending 10/31/16
24116	11/10/2016	Allied Propane Services, Inc	269.02	Parts for pipe installation
	11/10/2016	Allied Propane Services, Inc	80.00	Tank rental to 8/31/17
24117	11/10/2016	American Fidelity	2,213.49	Period ending 11/10/16
	11/10/2016	American Fidelity	1,096.10	Supplemental deductions-Period Ending 10/31/16
24118	11/10/2016	Contra Costa Federal Credit ...	800.00	Period Ending 10/31/16
24119	11/10/2016	Daniel Dick	272.80	FF recognition axe
24120	11/10/2016	Stephen Healy	89.37	Reimb. mtg and toll expenses 4/8/16-11/08/16
24121	11/10/2016	IAFF Local 1230 Dues	7,391.38	Period Ending 10/31/16
24122	11/10/2016	IAFF Local 1230 Insurance	1,828.94	Period Ending 10/31/16
24123	11/10/2016	Moraga-Orinda Professional F...	510.00	Period Ending 10/31/16
24124	11/10/2016	Dennis Rein	421.00	Per diem- Soberanes fire 10/11/16-10/26/16-D. Rein
24125	11/10/2016	William Svozil	13,412.85	Services 10/01/16-10/31/16
24126	11/10/2016	Christina Vargas	16.55	Admin meeting
	11/10/2016	Christina Vargas	836.02	Reimb. hotel and meals-CalPelra Conference-11/1/16-...
24127	11/14/2016	ADP, Inc.	372.06	ADP Payroll Fees ending 10/31/16
24128	11/14/2016	American Messaging	150.22	Paging Service November 2016
24129	11/14/2016	Bartel Associates, LLC	1,342.00	Consulting Services OPEB Valuation-September 2016
24130	11/14/2016	Bay Area News Group	839.36	CA fire code notice-10/11/16 & special tax 10/3 and 10...
24131	11/14/2016	Bound Tree Medical, LLC	3,491.67	Misc supplies
24132	11/14/2016	C.R. Fireline, Inc.	291.61	11 bottles hydro tested
24133	11/14/2016	Dell Financial Services	302.99	Rental & Admin Fee 12/01/16-12/31/16 A/C #001-840...
24134	11/14/2016	Dublin Chevrolet	52,047.52	2017 Chevy Tahoe-Vin #1GNSKBKXHR132672
24135	11/14/2016	East Bay Regional Communic...	25,500.00	Annual operating fee-\$25.00 x 12 months x 85 radios
24136	11/14/2016	Employment Development De...	6,960.37	UI-07/01/16-09/30/16
24137	11/14/2016	Entenmann-Rovin Co.	236.55	Badges for Wilson and Dulli
24138	11/14/2016	HdL Coren & Cone	3,150.00	Contract services-Property taxes 10/01/16-12/31/16
24139	11/14/2016	International Container Services	3,416.00	20' custom container
24140	11/14/2016	L.N. Curtis & Sons	338.40	2 Vulcan LED litebox
24141	11/14/2016	L Serpa Trucking, Inc.	4,266.85	Station 41 gravel-parking lot project
24142	11/14/2016	Moraga Hardware & Lumber	32.80	Paint for groundbreaking shovels
24143	11/14/2016	Motorola	6,467.03	APX mobile radio-Command vehicle
24144	11/14/2016	National Construction Rentals	34.34	Overhead meter pole monthly rental- 11/01/16-11/28/16
24145	11/14/2016	Office Depot	111.89	Copy paper, date stamper and correction tape
	11/14/2016	Office Depot	80.14	Copy paper, envelopes and card file
	11/14/2016	Office Depot	29.55	Stamp for Orinda Planning Department counter
	11/14/2016	Office Depot	19.70	Storage crate
24146	11/14/2016	Paymentus Group, Inc.	52.56	Credit card fees-October 2016
24147	11/14/2016	Premier COMP Medical Grou...	3,565.00	6 Annual Exams
24148	11/14/2016	Pricipia Engineering, Inc.	2,810.00	Consulting services-October 2016
24149	11/14/2016	Shah Kawasaki Architects	10,065.37	Services 10/01/16 thru 10/31/16
24150	11/14/2016	Shred-it	66.00	October 2016 pick-up
24151	11/14/2016	United Site Services	293.77	Port-A-Potty for Open House
24152	11/14/2016	Verizon Wireless	1,153.67	Account 623714059-00001 Service 09/24/16-10/23/16
24153	11/18/2016	Airgas USA, LLC	190.78	Tank Rental-Station 41- #2118770 -October 2016
	11/18/2016	Airgas USA, LLC	31.57	Tank Rental-Station 44- #2902766 -October 2016

Moraga-Orinda Fire District
 Check/Voucher Register - Check Register
 From 11/1/2016 Through 11/30/2016

Check Number	Check Date	Name	Check Amount	Transaction Description
	11/18/2016	Airgas USA, LLC	227.77	Tank Rental-Station 45- #2867225 -October 2016
24154	11/18/2016	Alameda County Fire Depart...	337.50	90 day inspection- Unit 420
	11/18/2016	Alameda County Fire Depart...	3,048.63	90 day inspection-Unit 423
	11/18/2016	Alameda County Fire Depart...	1,515.15	Leaking at pump-Unit 410
	11/18/2016	Alameda County Fire Depart...	1,673.02	Misc. repirs-Unit 414
	11/18/2016	Alameda County Fire Depart...	8,968.89	Misc. repirs-Unit 455
	11/18/2016	Alameda County Fire Depart...	956.31	Replace right spring center pin-Unit 405
	11/18/2016	Alameda County Fire Depart...	540.00	Steering complaint-Unit 405
24155	11/18/2016	ALSCO - American Linen Divi...	1,474.50	October 2016 linen
24156	11/18/2016	A T and T	477.24	Acct# 9391035207 09/12/16-10/11/16
	11/18/2016	A T and T	147.87	Acct# 9391053307 10/01/16-10/31/16 Emergency lan...
	11/18/2016	A T and T	21.16	Acct#0011712900145 10/01/16-10/31/16 Conference ...
24157	11/18/2016	Comcast	86.25	8155 40 006 0191002 Station 44-11/14/16-12/13/16
	11/18/2016	Comcast	86.25	8155 40 006 0191028 Station 43-11/14/16-12/13/16
24158	11/18/2016	EBMUD	367.28	Water 08/10/16-10/10/16
	11/18/2016	EBMUD	275.16	Water 08/30/16-10/31/16 2"
	11/18/2016	EBMUD	419.74	Water 08/30/16-10/31/16 6"
	11/18/2016	EBMUD	221.98	Water 8/25/16-10/26/16
24159	11/18/2016	ECMS, Inc.	70.08	PPE cleaning and repair
24160	11/18/2016	Far Western Trophy & Award	49.28	Name plates-D. Rein for station 45
24161	11/18/2016	Girards Catering	1,846.46	Catering/Food for Employee Awards dinner
24162	11/18/2016	Lafayette Automotive Supply	302.21	Battery-Unit 432
	11/18/2016	Lafayette Automotive Supply	(18.00)	Old battery recycled
24163	11/18/2016	Lafayette War Veterans, Inc.	1,680.00	Employee Awards dinner facility
24164	11/18/2016	Meyers,Nave,Riback,Silver,Wi...	1,891.07	October 2016-Client Matter 1025.001
	11/18/2016	Meyers,Nave,Riback,Silver,Wi...	206.51	October 2016-Client Matter 1025.005
24165	11/18/2016	National Testing Network, Inc.	500.00	Annual membership
24166	11/18/2016	Pacific Gas & Electric	291.99	09/01/16-10/17/16 Station 43
	11/18/2016	Pacific Gas & Electric	16.16	09/17/16-10/15/16 Station 45 Gas
	11/18/2016	Pacific Gas & Electric	586.68	10/04/16-11/01/16 Station 44
	11/18/2016	Pacific Gas & Electric	1,357.93	10/04/16-11/01/16 Station 45 Electric
	11/18/2016	Pacific Gas & Electric	381.01	10/05/16-11/02/16 Admin
	11/18/2016	Pacific Gas & Electric	703.56	10/05/16-11/02/16 Station 41
	11/18/2016	Pacific Gas & Electric	859.62	10/05/16-11/02/16 Station 42 Electric
	11/18/2016	Pacific Gas & Electric	250.38	10/06/16-11/03/16 Station 42 Gas
24167	11/18/2016	Republic Services	638.32	November 2016 Trash A/C#302100093245
	11/18/2016	Republic Services	81.56	November 2016 Trash A/C#302100094052
	11/18/2016	Republic Services	484.28	November 2016 Trash A/C#302100095331
	11/18/2016	Republic Services	81.56	November 2016 Trash A/C#302100108522
24168	11/18/2016	Gloriann Sasser	208.88	Reimb. mileage 10/12/16-11/16/16
24169	11/18/2016	Smart Clean Building Mainten...	245.00	November cleaning service
24170	11/18/2016	Staples Advantage	109.75	Misc. supplies-Station 41
	11/18/2016	Staples Advantage	317.49	Misc. supplies-Station 42
	11/18/2016	Staples Advantage	94.24	Misc. supplies-Station 43
	11/18/2016	Staples Advantage	157.13	Misc. supplies-Station 44
	11/18/2016	Staples Advantage	272.07	Misc. supplies-Station 45
CC-02	11/14/2016	CCCERA Retirement	152,080.69	CCCERA retirement payment-Oct. contributions
CP030	11/9/2016	Calif. Public Employees'	163,055.21	CalPers Health Ins
DD030	11/9/2016	Delta Dental Plan of Calif.	15,788.55	Delta Dental ACH payment
Report Total			802,594.00	



Moraga-Orinda Fire District

TO: Board of Directors

FROM: Gloriann Sasser, Administrative Services Director

DATE: December 7, 2016

SUBJECT: Item 8.1 – Actuarial Valuation June 30, 2016 and General Fund Budget Adjustment and Additional Contribution of \$138,000 into the OPEB trust account for FY2016/17

BACKGROUND

The District provides retiree health insurance benefits to employees. Government Accounting Standards Board Statement No. 45 requires the District to complete an actuarial valuation of the other post-employment benefits (OPEB) plan. As a result, the District contracted with Bartel Associates, LLC for an actuarial report calculating the long-term cost associated with the District's OPEB.

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

ACTUARIAL VALUATION ASSUMPTIONS

The actuarial valuation is based on a number of significant assumptions as follows:

- Amortization period – 22 years fixed (closed) period
- General inflation – 3% annually
- Discount rate – 6.5%
- Annually prefund recommended contribution

ACTUARIAL VALUATION RESULTS

In 2015 the District established an OPEB trust account. The purpose of the trust account is to accumulate funds for payment of future retiree health insurance obligations. The District made the annual required contribution in FY2014/15, FY2015/16 and FY 2016/17. As a result of the pre-funding and the cap on retiree medical benefits, the District's unfunded actuarial accrued liability (UAAL) has decreased. The balance in the OPEB trust account as of September 30, 2016 is \$303K.

The actuarial valuation measures the UAAL. The UAAL is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. In other words, the UAAL is the present value of benefits earned to date for both active employees and retirees that are not covered by current plan assets. The District's UAAL has significantly decreased, primarily due to the benefits caps that were implemented and the OPEB trust account contributions.

The prior actuarial valuation as of June 30, 2013 measured the UAAL at \$16.9M (Slide-13 of the report). As of June 30, 2016, the UAAL is \$15.5M, a decrease of \$1.4M or 8%.

Slide-14 illustrates the historical UAAL. The District's UAAL peaked in 2009 at \$24M. Since then, the District has implemented significant changes to the retiree health benefits program and the UAAL has steadily decreased to \$15.5M.

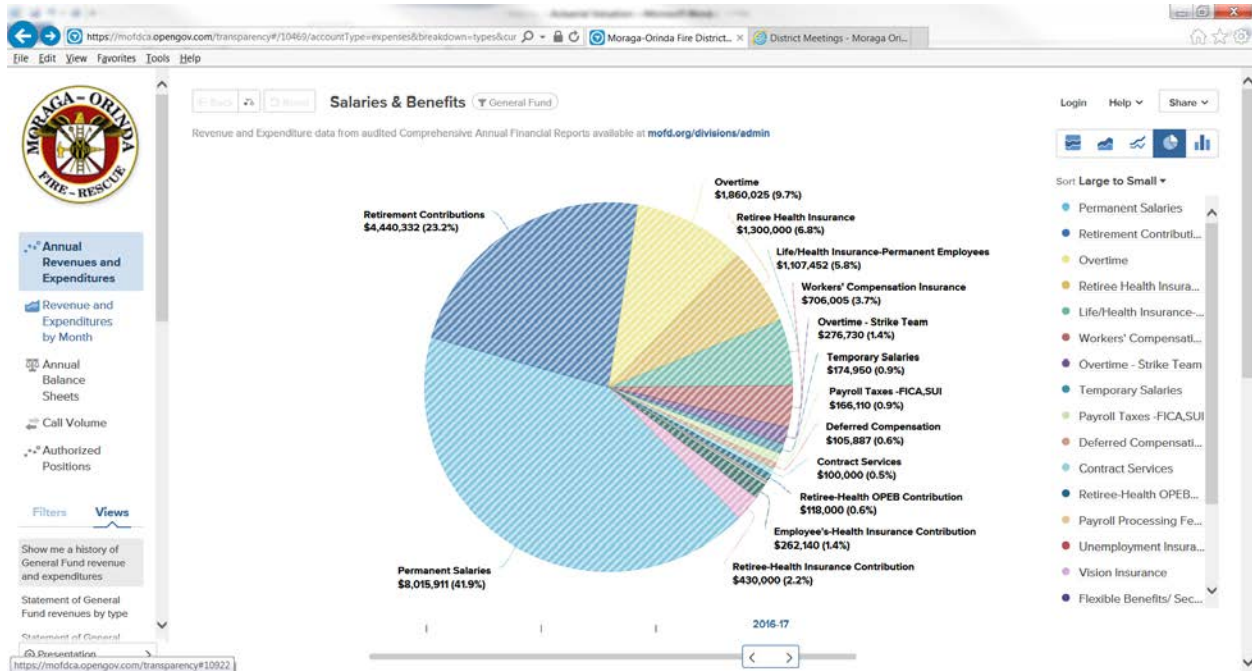
Slide-22 details the amounts the District will need to pre-fund into the OPEB trust account over the next 10 years. The amounts are higher than the previous valuation. For FY2016/17, the District will need to contribute an additional \$138K for the pre-funding amount (\$256K v. previous \$118K.)

ACCELERATE REDUCTION OF THE UNFUNDED LIABILITY

One of the initiatives of the Strategic Plan is to analyze the UAAL and determine the level of threat that unfunded liabilities pose to the District and its ability to provide sustained service delivery. Two ways the District could accelerate the reduction of the retiree medical unfunded liability are:

- Use a shorter amortization period – Slides-23 and 24 show the results of a 20-year amortization period. The District would need to contribute an additional \$68K - \$78K per year over the next five years and into the future in order to pay off the UAAL two years earlier.
- One-time payments – The District could accelerate payments above the minimum annual contributions required without adopting an alternate amortization schedule. The District could make additional one-time payments to pay down the unfunded liability sooner.

The recent strategic planning process identified several initiatives including emergency services delivery, employee development, retention and community risk reduction. Accelerating the reduction of the UAAL could affect other initiatives. In addition, the District is considering establishment of a Pension Rate Stabilization Program. The current OPEB contribution is less than 1% of the total Salaries and Benefits budget as illustrated here:



For FY2016/17, the updated actuarial valuation requires total contribution of \$256K into the OPEB trust account. The previous contribution for the fiscal year was \$118K; this contribution was made in August 2016. Staff recommends the District continue with the existing amortization schedule of 22 years and that the Board authorize an additional contribution of \$138K into the OPEB trust account to reflect the updated pre-funding amounts. The new contribution amounts will be included in the updated Long Range Financial Plan presented in early 2017.

RECOMMENDATION

- 1) Discuss; 2) Deliberate; 3) Receive report and authorize the following:
 - General Fund Budget Adjustment expenditure appropriation increase of \$138,000 for the OPEB pre-funding contribution.
 - Additional contribution of \$138,000 into the OPEB trust account for FY2016/17 for the updated OPEB pre-funding contribution.

ATTACHMENTS

- 1) Attachment A – June 30, 2016 GASB 45 Actuarial Valuation



**MORAGA-ORINDA FIRE DISTRICT
RETIREE HEALTHCARE PLAN**



June 30, 2016 GASB 45 Actuarial Valuation

Doug Pryor, Vice President & Actuary
Nathan Hinojosa, Actuarial Analyst
Michelle Shen, Actuarial Analyst
Bartel Associates, LLC

November 22, 2016

CONTENTS

<u>Topic</u>	<u>Page</u>
Benefit Summary	1
Implied Subsidy	3
Data Summary	5
Actuarial Assumptions Highlights	7
Assets	11
Results	13
Actuarial Certification	30
Exhibits	
Premiums	E - 1
Participant Statistics	E - 5
Actuarial Assumptions	E - 17
Actuarial Methods	E - 25
Definitions	E - 26



<ul style="list-style-type: none"> ■ Eligibility¹ 	<ul style="list-style-type: none"> ● Retire directly from District under CCCERA <ul style="list-style-type: none"> ➢ Tier A (Tier I for General) Enhanced ➢ Service Retirement - 50&10, age 70, or 20 (30 years for General) years of service ➢ Ordinary Disability Retirement - 5 years of service ➢ Duty Disability Retirement - immediate 												
<ul style="list-style-type: none"> ■ Retiree Medical Benefit Cap² 	<ul style="list-style-type: none"> ● Tier 1 (hired before April 16³, 2014) <ul style="list-style-type: none"> ➢ Cap varies by group and coverage: <table border="1" data-bbox="597 485 1312 604"> <thead> <tr> <th>Group</th> <th>Single</th> <th>2-Party</th> <th>Family</th> </tr> </thead> <tbody> <tr> <td>Local 2700</td> <td>\$575.44</td> <td>\$1,150.85</td> <td>\$1,496.11</td> </tr> <tr> <td>Other Groups</td> <td>458.42</td> <td>916.82</td> <td>1,191.87</td> </tr> </tbody> </table> ● Tier 2 <ul style="list-style-type: none"> ➢ PEMHCA Minimum ➢ \$125/month in 2016, \$128/month in 2017 ➢ Increased by CalPERS Board thereafter 	Group	Single	2-Party	Family	Local 2700	\$575.44	\$1,150.85	\$1,496.11	Other Groups	458.42	916.82	1,191.87
Group	Single	2-Party	Family										
Local 2700	\$575.44	\$1,150.85	\$1,496.11										
Other Groups	458.42	916.82	1,191.87										

¹ PEPRA retirement eligibility applies to non-reciprocal new hires effective 1/1/13.
² Same cap for Medicare and non-Medicare eligible retirees
³ July 2 for Battalion Chiefs, July 1 for Unrepresented.



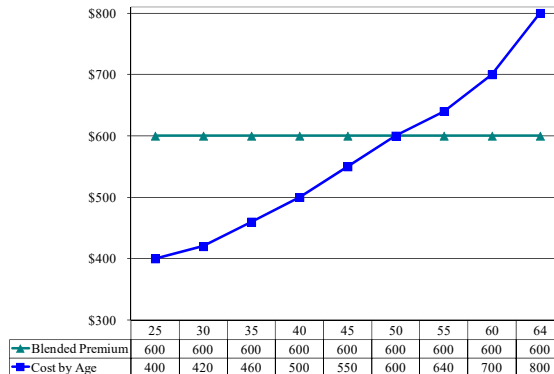
BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Retiree Dental Benefit 	<table border="1"> <thead> <tr> <th>Group</th> <th>Single</th> <th>2-Party</th> <th>Family</th> </tr> </thead> <tbody> <tr> <td>Local 2700</td> <td>\$ 51.20</td> <td>\$ 90.12</td> <td>\$ 136.35</td> </tr> <tr> <td>Other Groups</td> <td>46.68</td> <td>81.00</td> <td>116.98</td> </tr> </tbody> </table>	Group	Single	2-Party	Family	Local 2700	\$ 51.20	\$ 90.12	\$ 136.35	Other Groups	46.68	81.00	116.98										
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Local 2700	\$ 51.20	\$ 90.12	\$ 136.35																				
Other Groups	46.68	81.00	116.98																				
<ul style="list-style-type: none"> ■ Survivor Benefit 	<ul style="list-style-type: none"> ● Medical - Same benefit as retiree ● Dental - Survivor pays 100% of premium 																						
<ul style="list-style-type: none"> ■ Other 	<ul style="list-style-type: none"> ● No District paid vision or life insurance. 																						
<ul style="list-style-type: none"> ■ Pay-As-You-Go Costs 	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Payments</th> </tr> </thead> <tbody> <tr><td>2015/16</td><td>\$ 859,225</td></tr> <tr><td>2014/15</td><td>885,770</td></tr> <tr><td>2013/14</td><td>896,659</td></tr> <tr><td>2012/13</td><td>937,777</td></tr> <tr><td>2011/12</td><td>898,937</td></tr> <tr><td>2010/11</td><td>833,589</td></tr> <tr><td>2009/10</td><td>850,946</td></tr> <tr><td>2008/09</td><td>683,953</td></tr> <tr><td>2007/08</td><td>681,220</td></tr> <tr><td>2006/07</td><td>570,823</td></tr> </tbody> </table>	Fiscal Year	Payments	2015/16	\$ 859,225	2014/15	885,770	2013/14	896,659	2012/13	937,777	2011/12	898,937	2010/11	833,589	2009/10	850,946	2008/09	683,953	2007/08	681,220	2006/07	570,823
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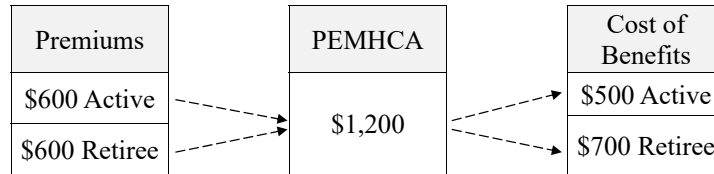


Implied Subsidy

- For PEMHCA, employer cost for allowing retirees to participate at active rates.
 - General trend:



- Sample active age 40, retire age 60:



Implied Subsidy

- GASB 45 defers to actuarial standards of practice.
- Previous Actuarial Standards of Practice No. 6⁴ (ASOP 6) allows community rated plans to value liability using premiums, resulting in no implied subsidy.
- In May 2014, Actuarial Standards Board released revised ASOP 6:
 - Requires implied subsidy valued for community rated plans such as PEMHCA.
 - Timing: effective with all valuations on or after March 31, 2015 with earlier implementation encouraged
- June 30, 2016 valuation includes the implied subsidy.

⁴ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



Actives

	6/30/06	6/30/09	6/30/13	6/30/16
■ Counts				
• Safety	63	62	59	56
• General	<u>6</u>	<u>7</u>	<u>4</u>	<u>4</u>
• Total	69	69	63	60
■ Average				
• Age	41.6	38.1	38.0	39.6
• District Service	11.4	7.1	8.2	10.2
• Pay	\$ 89,200	\$ 97,500	\$ 110,800	\$ 107,300
■ Total Pay (000's)	6,158	6,726	6,981	6,441



November 22, 2016

5



DATA SUMMARY

Retirees

	6/30/06	6/30/09	6/30/13	6/30/16
■ Counts				
• Safety	63	81	90	88
• General	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
• Total	65	84	94	93
■ Ratio Retirees/Actives	.9	1.2	1.5	1.6
■ Average				
• Age	67.2	66.2	67.4	68.6
• Service Retirement Age				
> Safety	n/a	52.9	53.6	54.9
> General	n/a	59.0	59.1	59.3



November 22, 2016

6



8.1

	June 30, 2013 Valuation	June 30, 2016 Valuation
■ Valuation Date	<ul style="list-style-type: none"> • June 30, 2013 • 2013/14, 2014/15, 2015/16 ARCs • 1-year lag period 	<ul style="list-style-type: none"> • June 30, 2016 • 2016/17 2017/18, 2018/19 ARCs⁵ • 1-year lag period⁶
■ Discount Rate	<ul style="list-style-type: none"> • 4.00% • Not pre-funded; assets in District investment fund 	<ul style="list-style-type: none"> • 6.50% • Annually prefund recommended contribution with PARS • Capital Appreciation Fund (approximate 60% equity, 35% fixed income targets)
■ Retiree Medical Cap Increase	<ul style="list-style-type: none"> • No cap increase • Not less than PEMHCA minimum 	<ul style="list-style-type: none"> • Same

⁵ Actuarially Determined Contribution for 2017/18 and 2018/19.

⁶ Contributions assumed mid-year.



November 22, 2016

7



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2013 Valuation	June 30, 2016 Valuation																				
■ Retiree Dental Cap Increase	<ul style="list-style-type: none"> • No cap increase 	<ul style="list-style-type: none"> • Same 																				
■ PEMHCA Minimum Increase	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>PEMHCA Minimum</u></th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>\$115</td> </tr> <tr> <td>2014</td> <td>119</td> </tr> <tr> <td>2015</td> <td>122</td> </tr> <tr> <td>2016+</td> <td>4.50%</td> </tr> </tbody> </table>	<u>Year</u>	<u>PEMHCA Minimum</u>	2013	\$115	2014	119	2015	122	2016+	4.50%	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>PEMHCA Minimum</u></th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>\$122</td> </tr> <tr> <td>2016</td> <td>125</td> </tr> <tr> <td>2017</td> <td>128</td> </tr> <tr> <td>2018+</td> <td>4.50%</td> </tr> </tbody> </table>	<u>Year</u>	<u>PEMHCA Minimum</u>	2015	\$122	2016	125	2017	128	2018+	4.50%
<u>Year</u>	<u>PEMHCA Minimum</u>																					
2013	\$115																					
2014	119																					
2015	122																					
2016+	4.50%																					
<u>Year</u>	<u>PEMHCA Minimum</u>																					
2015	\$122																					
2016	125																					
2017	128																					
2018+	4.50%																					
■ Aggregate Payroll Increases	<ul style="list-style-type: none"> • 3.25% annually • Inflation plus 0.75% • CCCERA 12/31/12 valuation assumption is 4.00%, inflation plus 0.75% 	<ul style="list-style-type: none"> • 3.25% annually • Inflation plus 0.50% • CCCERA 12/31/15 valuation assumption is 2.75%, inflation plus 0.50% 																				



November 22, 2016

8



8.1

	June 30, 2013 Valuation			June 30, 2016 Valuation		
■ Medical Trend	<u>Increase from Prior Year</u>			<u>Increase from Prior Year</u>		
		<u>Non-Medicare</u>	<u>Medicare</u>		<u>Non-Medicare</u>	<u>Medicare</u>
	<u>Year</u>	<u>All Plans</u>		<u>Year</u>	<u>All Plans</u>	
	2013	Actual Premiums		2013	n/a	
	2014	Actual Premiums		2014	n/a	
	2015	Actual Premiums		2015	n/a	
	2016	7.5%	7.8%	2016	Actual Premiums	
	2017	7.0%	7.2%	2017	Actual Premiums	
	2018	6.5%	6.7%	2018	6.5%	6.7%
	2019	6.0%	6.1%	2019	6.0%	6.1%
2020	5.5%	5.6%	2020	5.5%	5.6%	
2021+	5.0%	5.0%	2021+	5.0%	5.0%	
■ Mortality, Termination, Disability	• CCCERA 12/31/12 valuation assumption			• CCCERA 12/31/15 valuation assumption		



November 22, 2016

9



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2013 Valuation			June 30, 2016 Valuation		
■ Service Retirement	• CCCERA 12/31/12 valuation assumption			• CCCERA 12/31/15 valuation assumption		
		<u>General</u>	<u>Safety</u>		<u>General</u>	<u>Safety</u>
	Tier ⁷	1 Enhanced	A Enhanced	Tier ⁶	1 Enhanced	A Enhanced
	Benefit	2%@55	3%@50	Benefit	2%@55	3%@50
	ERA	60	55.6	ERA	60.9	55.6
				Tier	4 PEPR	D Enhanced
				Benefit	2%@62	2.7%@57
			ERA	n/a	57.3	

⁷ PEPR General Tier 4 and Safety Tier D for new members after 2012.



November 22, 2016

10



8.1

Market Value of Plan Assets

(Amounts in 000's)

	2014/15	2015/16
■ Market Value (Beginning of Year)	\$ -	\$ 83
• Contributions	84	94
• Benefit Payments	-	-
• Administration Expenses	(0)	(1)
• Investment Earnings	(1)	0
■ Market Value (End of Year)	83	176
■ Approximate MVA Return	(9.5%)	(0.4%)



November 22, 2016

11

**Actuarial Value of Plan Assets**

(Amounts in 000's)

	2014/15	2015/16
■ Actuarial Value (Beginning of Year)	\$ -	\$ 84
• Contributions	84	94
• Benefit Payments	-	-
• Credited Return	1	12
■ Actuarial Value (End of Year)	84	188
■ Approximate AVA Return	3.9%	5.6%



November 22, 2016

12



8.1

Actuarial Obligations

(Amounts in 000's)

	6/30/13 Valuation	6/30/16 Valuation
■ Present Value of Benefits <ul style="list-style-type: none"> • Actives • Retirees • Total 	\$ 7,386 <u>13,906</u> 21,292	\$ 6,208 <u>11,889</u> 18,097
■ Actuarial Accrued Liability <ul style="list-style-type: none"> • Actives • Retirees • Total 	3,017 <u>13,906</u> 16,923	3,629 <u>11,889</u> 15,518
■ Actuarial Value of Assets	— -	— 188
■ Unfunded Actuarial Accrued Liability	16,923	15,330
■ Normal Cost (year after valuation)	420	320
■ Pay-As-You-Go Cost (year after valuation)	897	1,041



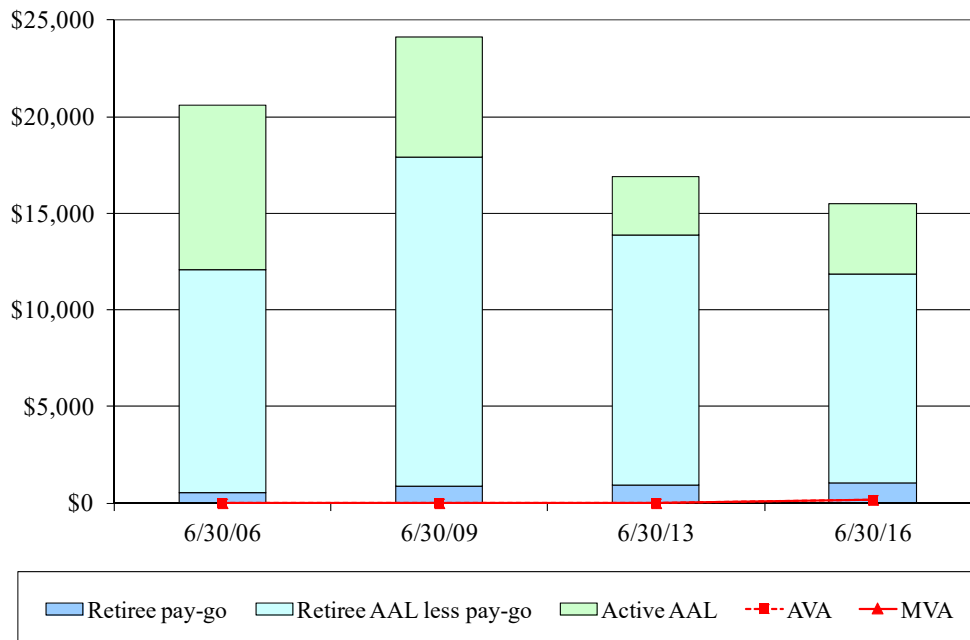
November 22, 2016



RESULTS

Historical Actuarial Accrued Liability

(Amounts in 000's)



November 22, 2016



Actuarial Gains & Losses

(Amounts in 000's)

	AAL
■ 6/30/13 Actual	16,923
■ 6/30/16 Expected	17,415
■ (Gains)/Losses	
• Actual premiums less than expected	(356)
• Dental caps less than expected	(149)
• Demographic & other	46
■ Assumption Changes	
• New CCCERA demographic assumptions and waived retiree participation re-elections	225
• Discount rate change: 4.00% to 6.50%	(4,478)
■ Implied Subsidy	2,815
■ Total Changes	(1,897)
■ 6/30/16 Actual	15,518



November 22, 2016

15

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November 22, 2016

16



8.1

Annual Required Contribution (ARC)⁸

(Amounts in 000's)

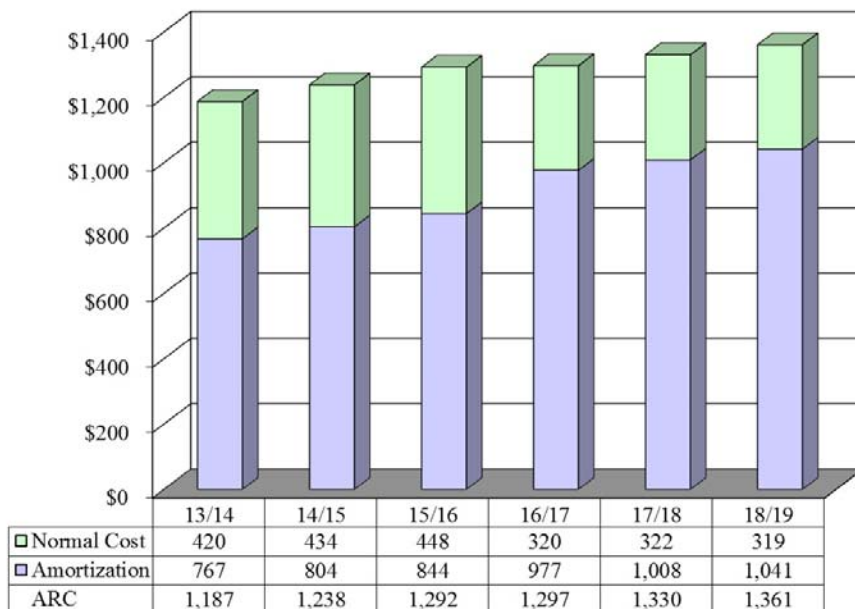
	6/30/13 Valuation			6/30/16 Valuation		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
■ ARC - \$						
• Normal Cost	\$ 420	\$ 434	\$ 448	\$ 320	\$ 322	\$ 319
• UAAL Amortization	<u>767</u>	<u>804</u>	<u>844</u>	<u>977</u>	<u>1,008</u>	<u>1,041</u>
• Total	1,187	1,238	1,292	1,297	1,330	1,361
■ Projected Payroll	6,981	7,208	7,442	6,441	6,650	6,866
■ ARC - % of Pay						
• Normal Cost	6.0%	6.0%	6.0%	5.0%	4.8%	4.6%
• UAAL Amortization	<u>11.0%</u>	<u>11.2%</u>	<u>11.3%</u>	<u>15.2%</u>	<u>15.2%</u>	<u>15.2%</u>
• Total	17.0%	17.2%	17.3%	20.1%	20.0%	19.8%

⁸ Actuarially Determined Contribution for 2017/18 and 2018/19



Annual Required Contributions⁹

(Amounts in 000's)



⁹ Actuarially Determined Contribution for 2017/18 and 2018/19



Amortization Bases

(Amounts in 000's)

	6/30/13 Valuation			6/30/16 Valuation		
	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18
■ Amortization Balance						
• Initial UAAL	\$ 23,431	\$ 23,306	\$ 23,142	\$ 22,936	\$ 22,897	\$ 22,829
• (Gain)/Loss, Plan & Assumption Changes						
➢ 6/30/09 Valuation	(387)	(385)	(382)	(379)	(378)	(377)
➢ 6/30/13 Valuation	(12,232)	(12,167)	(12,081)	(11,962)	(11,953)	(11,918)
➢ 6/30/16 Valuation	-	-	-	(2,059)	(2,058)	(2,052)
• Contributions < ARC	<u>6,111</u>	<u>6,351</u>	<u>6,583</u>	<u>6,817</u>	<u>6,767</u>	<u>6,719</u>
• Total	16,923	17,105	17,262	15,330	15,274	15,201



November 22, 2016

19



RESULTS

Amortization Payments

(Amounts in 000's)

	6/30/13 Valuation			6/30/16 Valuation		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
■ Amortization Payment						
• Initial UAAL	\$ 1,062	\$ 1,096	\$ 1,132	\$ 1,460	\$ 1,507	\$ 1,556
• (Gain)/Loss, Plan & Assumption Changes						
➢ 6/30/09 Valuation	(18)	(18)	(19)	(24)	(25)	(26)
➢ 6/30/13 Valuation	(554)	(572)	(591)	(762)	(787)	(812)
➢ 6/30/16 Valuation	-	-	-	(131)	(135)	(140)
• Contributions < ARC	<u>277</u>	<u>299</u>	<u>322</u>	<u>434</u>	<u>448</u>	<u>463</u>
• Total	767	805	844	977	1,008	1,041
• Amortization Years	25.0	24.0	23.0	22.0	21.0	20.0



November 22, 2016

20



8.1

Net OPEB Obligation (NOO)

(Amounts in 000's)

	CAFR		2015/16	Estimate 2016/17
	2013/14	2014/15		
■ NOO at Beginning of Year	\$ 6,111	\$ 6,352	\$ 6,556	\$ 6,817
■ Annual OPEB Cost				
• Annual Required Contribution	1,187	1,238	1,292	1,297
• Interest on NOO	227	235	243	385
• NOO Adjustment	(277)	(299)	(321)	(435)
• Annual OPEB Cost	1,137	1,174	1,214	1,247
■ Contributions				
• Cash Benefit Payments	897	886	859	869
• Implied Subsidy Payments	-	-	-	172
• Trust Pre-Funding	-	84	94	256
• Total Contribution	897	970	953	1,297
■ NOO at End of Year	6,352	6,556	6,817	6,767



November 22, 2016

21



RESULTS

Projection

(Amounts in 000's)

Fiscal Year Ending	Contribution				Payroll	Contrib % of Payroll
	Cash Benefit Payment	Implied Subsidy Benefit Payment	Pre- Funding	Total Contrib		
2017	\$ 869	\$ 172	\$ 256	\$ 1,297	\$ 6,441	20.1%
2018	880	170	280	1,330	6,650	20.0%
2019	910	178	273	1,361	6,866	19.8%
2020	937	174	280	1,391	7,090	19.6%
2021	966	194	264	1,424	7,320	19.5%
2022	986	176	294	1,456	7,558	19.3%
2023	1,008	165	318	1,491	7,804	19.1%
2024	1,028	164	335	1,527	8,057	19.0%
2025	1,040	155	371	1,566	8,319	18.8%
2026	1,035	146	424	1,605	8,589	18.7%



November 22, 2016

22



8.1

Alternative Projection (20-year UAAL Amortization)

(Amounts in 000's)

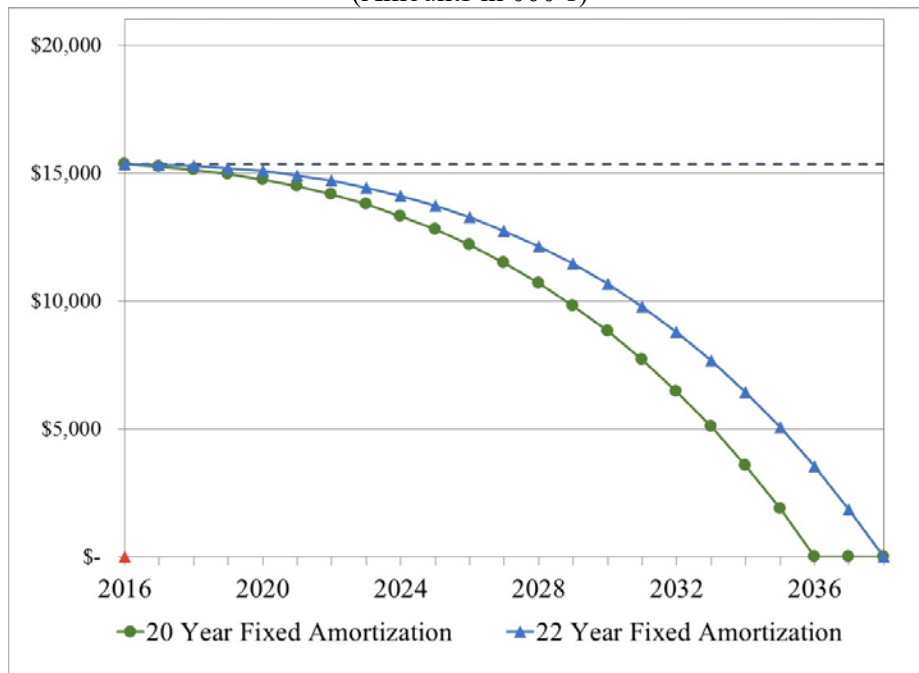
Fiscal Year Ending	Contribution				Payroll	Contrib % of Payroll
	Cash Benefit Payment	Implied Subsidy Benefit Payment	Pre-Funding	Total Contrib		
2017	\$ 869	\$ 172	\$ 324	\$ 1,365	\$ 6,441	21.2%
2018	880	170	351	1,401	6,650	21.1%
2019	910	178	346	1,434	6,866	20.9%
2020	937	174	356	1,467	7,090	20.7%
2021	966	194	342	1,502	7,320	20.5%
2022	986	176	375	1,537	7,558	20.3%
2023	1,008	165	400	1,573	7,804	20.2%
2024	1,028	164	421	1,613	8,057	20.0%
2025	1,040	155	459	1,654	8,319	19.9%
2026	1,035	146	515	1,696	8,589	19.7%



RESULTS

Projected UAAL Balance

(Amounts in 000's)



Actuarial Obligations**June 30, 2016**

(Amounts in 000's)

	Safety	General	Total
■ Present Value of Benefits			
• Actives	\$ 5,874	\$ 334	\$ 6,208
• Retirees	<u>11,431</u>	<u>458</u>	<u>11,889</u>
• Total	17,305	792	18,097
■ Actuarial Accrued Liability			
• Actives	3,457	172	3,629
• Retirees	<u>11,431</u>	<u>458</u>	<u>11,889</u>
• Total	14,888	630	15,518
■ Actuarial Value of Assets	<u>180</u>	<u>8</u>	<u>188</u>
■ Unfunded Actuarial Accrued Liability	14,708	622	15,330
■ Normal Cost	293	27	320
■ Pay-As-You-Go Cost	1,004	37	1,041



November 22, 2016

25



RESULTS

Annual Required Contribution (ARC)**2016/17 Fiscal Year**

(Amounts in 000's)

	Safety	General	Total
■ ARC - \$			
• Normal Cost	\$ 293	\$ 27	\$ 320
• UAAL Amortization	<u>937</u>	<u>40</u>	<u>977</u>
• Total	1,230	66	1,297
■ Projected Payroll	5,994	447	6,441
■ ARC - % of Pay			
• Normal Cost	4.9%	6.0%	5.0%
• UAAL Amortization	<u>15.6%</u>	<u>8.9%</u>	<u>15.2%</u>
• Total	20.5%	14.9%	20.1%



November 22, 2016

26



8.1

Actuarial Obligations**June 30, 2016**

(Amounts in 000's)

	Cash	Implied Subsidy	Total
■ Present Value of Benefits			
• Actives	\$ 4,528	\$ 1,680	\$ 6,208
• Retirees	<u>10,108</u>	<u>1,781</u>	<u>11,889</u>
• Total	14,636	3,461	18,097
■ Actuarial Accrued Liability			
• Actives	2,595	1,034	3,629
• Retirees	<u>10,108</u>	<u>1,781</u>	<u>11,889</u>
• Total	12,703	2,815	15,518
■ Actuarial Value of Assets	<u>188</u>	<u>-</u>	<u>188</u>
■ Unfunded Actuarial Accrued Liability	12,515	2,815	15,330
■ Normal Cost	247	72	320
■ Pay-As-You-Go Cost	869	172	1,041



November 22, 2016

27

**Annual Required Contribution (ARC)****2016/17 Fiscal Year**

(Amounts in 000's)

	Cash	Implied Subsidy	Total
■ ARC - \$			
• Normal Cost	\$ 247	\$ 72	\$ 320
• UAAL Amortization	<u>797</u>	<u>179</u>	<u>977</u>
• Total	1,044	252	1,297
■ Projected Payroll	6,441	6,441	6,441
■ ARC - % of Pay			
• Normal Cost	3.8%	1.1%	5.0%
• UAAL Amortization	<u>12.4%</u>	<u>2.8%</u>	<u>15.2%</u>
• Total	16.2%	3.9%	20.1%



November 22, 2016

28



8.1

Estimated 2016/17 Implied Subsidy Transfer for Medical Coverage
For Illustrative Purposes Only
 (Amounts in 000's)

Before Implied Subsidy

	Actives	Retirees	Total
■ Total Premium	995	1,110	2,105
■ Member Contribution¹⁰	-	<u>(241)</u>	<u>(241)</u>
■ Employer Contribution	995	869	1,864

After Implied Subsidy

	Actives	Retirees	Total
■ Total Premium	995	1,110	2,105
■ Member Contribution	-	(241)	(241)
■ Implied Subsidy Transfer	<u>(172)</u>	<u>172</u>	-
■ Employer Contribution	823	1,041	1,864

¹⁰ Assumes no member contribution for actives.



November 22, 2016

29



ACTUARIAL CERTIFICATION

This report presents the Moraga-Orinda Fire District Retiree Healthcare Plan ("Plan") June 30, 2016 actuarial valuation. The purpose of this valuation is to:

- Determine the Governmental Accounting Standards Board Statement Nos. 43 and 45 June 30, 2016 Benefit Obligations,
- Determine the Plan's June 30, 2016 Funded Status, and
- Calculate the 2016/17 Annual Required Contributions, and 2017/18 and 2018/19 Actuarially Determined Contributions.

The report provides information intended for reporting under GASB 43 and 45, but may not be appropriate for other purposes. Information provided in this report may be useful to the District for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the District as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Additionally, in my opinion, actuarial methods and assumptions comply with GASB 43 and 45. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,

Doug Pryor, ASA, EA, MAAA
 Vice President
 Bartel Associates, LLC
 November 22, 2016



November 22, 2016

30



8.1

2015 PEMHCA Monthly Premiums
Bay Area

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$662.41	\$1,324.82	\$1,722.27	\$445.38	\$890.76	\$1,336.14
Anthem Traditional	827.57	1,655.14	2,151.68	445.38	890.76	1,336.14
Blue Shield Access+	928.87	1,857.74	2,415.06	352.63	705.26	1,057.89
Blue Shield NetValue	870.60	1,741.20	2,263.56	352.63	705.26	1,057.89
Kaiser	714.45	1,428.90	1,857.57	295.51	591.02	886.53
United Healthcare	850.67	1,701.34	2,211.74	267.41	534.82	802.23
PERS Choice	700.84	1,401.68	1,822.18	339.47	678.94	1,018.41
PERS Select	690.43	1,380.86	1,795.12	339.47	678.94	1,018.41
PERSCare	775.08	1,550.16	2,015.21	368.76	737.52	1,106.28
PORAC	675.00	1,292.00	1,642.00	402.00	802.00	1,281.00



November 22, 2016

E-1



PREMIUMS

2016 PEMHCA Monthly Premiums
Bay Area

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 721.79	\$ 1,443.58	\$ 1,876.65	n/a	n/a	n/a
Anthem Traditional	855.42	1,710.84	2,224.09	n/a	n/a	n/a
Blue Shield Access+	1,016.18	2,032.36	2,642.07	n/a	n/a	n/a
Blue Shield NetValue	1,033.86	2,067.72	2,688.04	n/a	n/a	n/a
Health Net SmartCare	808.44	1,616.88	2,101.94	n/a	n/a	n/a
Kaiser	746.47	1,492.94	1,940.82	\$ 297.23	\$ 594.46	\$ 891.69
United Healthcare	955.44	1,910.88	2,484.14	320.98	641.96	962.94
PERS Choice	798.36	1,596.72	2,075.74	366.38	732.76	1,099.14
PERS Select	730.07	1,460.14	1,898.18	366.38	732.76	1,099.14
PERSCare	889.27	1,778.54	2,312.10	408.04	816.08	1,224.12
PORAC	699.00	1,399.00	1,789.00	442.00	881.00	1,408.00



November 22, 2016

E-2



8.1

2017 PEMHCA Monthly Premiums
Bay Area

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 783.46	\$ 1,566.92	\$ 2,037.00	n/a	n/a	n/a
Anthem Traditional	990.05	1,980.10	2,574.13	n/a	n/a	n/a
Blue Shield Access+	1,024.85	2,049.70	2,664.61	n/a	n/a	n/a
Health Net SmartCare	733.29	1,466.58	1,906.55	n/a	n/a	n/a
Kaiser	733.39	1,466.78	1,906.81	\$ 300.48	\$ 600.96	\$ 901.44
United Healthcare	1,062.26	2,124.52	2,761.88	324.21	648.42	972.63
PERS Choice	830.30	1,660.60	2,158.78	353.63	707.26	1,060.89
PERS Select	736.27	1,472.54	1,914.30	353.63	707.26	1,060.89
PERSCare	932.39	1,864.78	2,424.21	389.76	779.52	1,169.28
PORAC	699.00	1,467.00	1,876.00	464.00	924.00	1,477.00



November 22, 2016

E-3



PREMIUMS

Delta Dental Monthly Premiums

Year	Non-Medicare Eligible		
	Single	2-Party	Family
2016	\$ 54.33	\$ 95.88	\$ 146.35



November 22, 2016

E-4



8.1

Participants - June 30, 2016

	Safety	General	Total
■ Actives			
• Count	56	4	60
• Average Age	38.7	53.3	39.6
• Average District Service	10.5	6.4	10.2
• Average Pay	\$107,000	\$111,600	\$107,300
• Total Pay (000's)	5,994	447	6,441
■ Retirees			
• Count Under 65	40	1	41
• Count Over 65	<u>48</u>	<u>4</u>	<u>52</u>
• Total Count	88	5	93
• Average Age ¹¹	68.5	69.6	68.6
• Average Retirement Age ¹²			
➤ Service Retirees	55.3	59.3	55.6
➤ Disability Retirees	53.8	n/a	53.8

¹¹ Excludes 1 surviving dependent.¹² Excludes 15 surviving spouses and 1 surviving dependent.

November 22, 2016

E-5



PARTICIPANT STATISTICS

Participants - June 30, 2013

	Safety	General	Total
■ Actives			
• Count	59	4	63
• Average Age	37.2	50.3	38.0
• Average District Service	8.5	3.5	8.2
• Average Pay	\$110,800	\$110,900	\$110,800
• Total Pay (000's)	6,538	443	6,981
■ Retirees			
• Count Under 65	45	2	47
• Count Over 65	<u>45</u>	<u>2</u>	<u>47</u>
• Total Count	90	4	94
• Average Age ¹³	67.4	67.5	67.4
• Average Retirement Age ¹⁴			
➤ Service Retirees	53.6	59.1	53.9
➤ Disability Retirees	51.0	n/a	51.0

¹³ Excludes 1 surviving dependent.¹⁴ Excludes 8 surviving spouses and 1 surviving dependent.

November 22, 2016

E-6



8.1

Participant Reconciliation

	Actives	Retirees			
		Service	Disabled	Survivors	Total
■ June 30, 2013	63	58	19	17	94
• Terminations	(5)	-	-	-	-
• New Retirees	(4)	2	2	-	4
• Deaths with Survivor	-	(2)	-	2	-
• Deaths without Survivor	-	(2)	-	(3)	(5)
• New Actives	6	-	-	-	-
• Data Corrections	-	-	-	-	-
■ June 30, 2016	60	56	21	16	93



November 22, 2016

E-7



PARTICIPANT STATISTICS

Active Medical Coverage

Medical Plan	Region	Single	2-Party	Family	Waived	Total
Anthem Select	Bay Area	2	-	5	-	7
Anthem Traditional	Bay Area	1	-	3	-	4
Blue Shield NetValue	Bay Area	-	-	1	-	1
Health Net SmartCare	Bay Area	-	-	1	-	1
Kaiser	Bay Area	8	4	9	-	21
	Sacramento	-	-	2	-	2
PERS Choice	Bay Area	2	-	5	-	7
	North	-	-	1	-	1
PERS Select	Bay Area	-	-	1	-	1
	Sacramento	-	-	2	-	2
Waived		-	-	-	13	13
Total		13	4	30	13	60

Election %		27%	9%	64%	-	-
Waived %		-	-	-	22%	-



November 22, 2016

E-8



8.1

Retiree Medical Coverage
Under Age 65

Medical Plan	Region	Single	2-Party	Family	Waived	Total
Anthem Traditional	Bay Area	1	1	-	-	2
Blue Shield Access+	Bay Area	-	1	1	-	2
Blue Shield NetValue	Bay Area	1	1	2	-	4
Kaiser	Bay Area	2	4	9	-	15
	Sacramento	-	2	-	-	2
United HealthCare	Bay Area	-	-	1	-	1
PERS Choice	Bay Area	-	1	1	-	2
	North	-	2	-	-	2
	Out of State	1	4	-	-	5
PERSCare	Bay Area	-	2	-	-	2
Waived		-	-	-	4	4
Total		5	18	14	4	41

Election %		14%	48%	38%	-	-
Waived %		-	-	-	10%	-



November 22, 2016

E-9



PARTICIPANT STATISTICS

Retiree Medical Coverage
Over Age 65

Medical Plan	Region	Single	2-Party	Family	Waived	Total
Blue Shield Access+	Bay Area	1	-	-	-	1
Kaiser	Bay Area	7	10	-	-	17
	Sacramento	2	1	-	-	3
	South	-	1	-	-	1
United HealthCare	Bay Area	1	7	1	-	9
	North	-	1	-	-	1
PERS Choice	Bay Area	2	-	-	-	2
	North	1	1	-	-	2
	Out of State	3	3	-	-	6
	Sacramento	1	-	-	-	1
PERSCare	Bay Area	1	2	-	-	3
	Out of State	2	2	-	-	4
	Sacramento	-	1	-	-	1
Waived		-	-	-	1	1
Total		21	29	1	1	52

Election %		41%	57%	2%	-	-
Waived %		-	-	-	2%	-



November 22, 2016

E-10



8.1

Medical Plan Participation

Medical Plan	Actives	Retirees	
		< 65	≥ 65
Anthem Select	15%	0%	0%
Anthem Traditional	9%	5%	0%
Blue Shield Access+	0%	5%	2%
Blue Shield NetValue	2%	11%	0%
Health Net SmartCare	2%	0%	0%
Kaiser	49%	46%	41%
PERS Choice	17%	25%	22%
PERS Select	6%	0%	0%
PERSCare	0%	5%	16%
United HealthCare	0%	3%	19%
Total	100%	100%	100%



November 22, 2016

E-11



PARTICIPANT STATISTICS

Actives by Age and Service

Age	District Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	-	-	-	-	-	-	-
25-29	1	1	1	-	-	-	-	3
30-34	1	4	11	6	-	-	-	22
35-39	-	-	5	3	-	-	-	8
40-44	-	-	-	5	1	-	-	6
45-49	-	2	4	3	5	-	3	17
50-54	-	-	-	-	2	-	-	2
55-59	-	-	1	-	-	-	-	1
60-64	-	-	1	-	-	-	-	1
≥ 65	-	-	-	-	-	-	-	-
Total	2	7	23	17	8	-	3	60

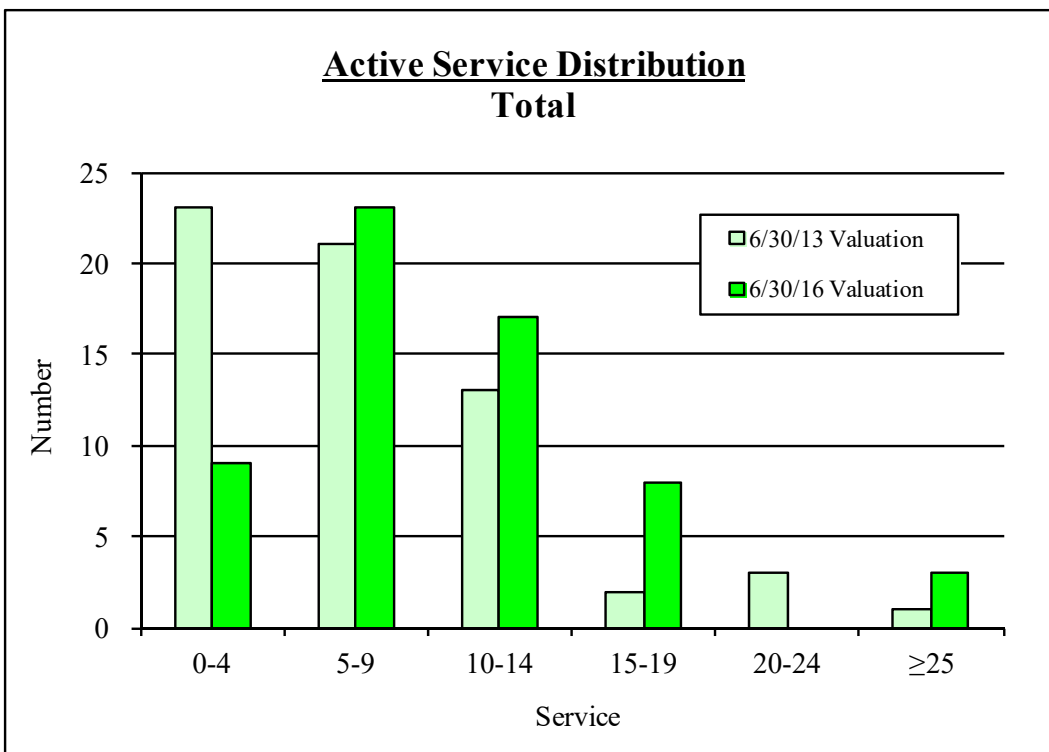
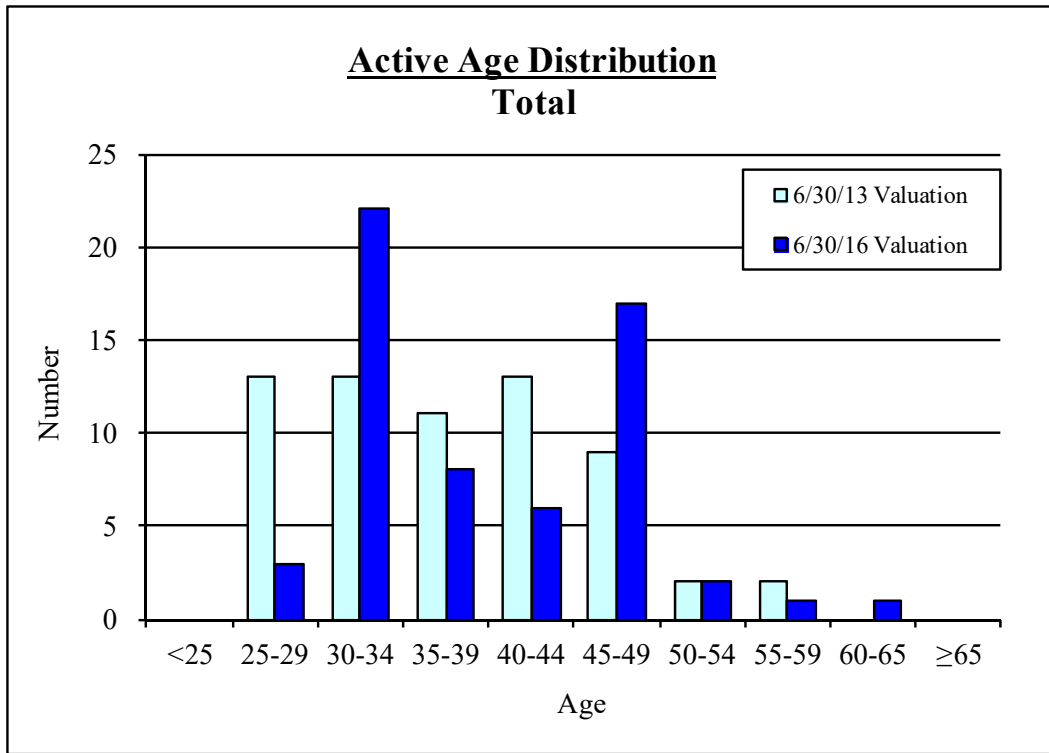


November 22, 2016

E-12



8.1



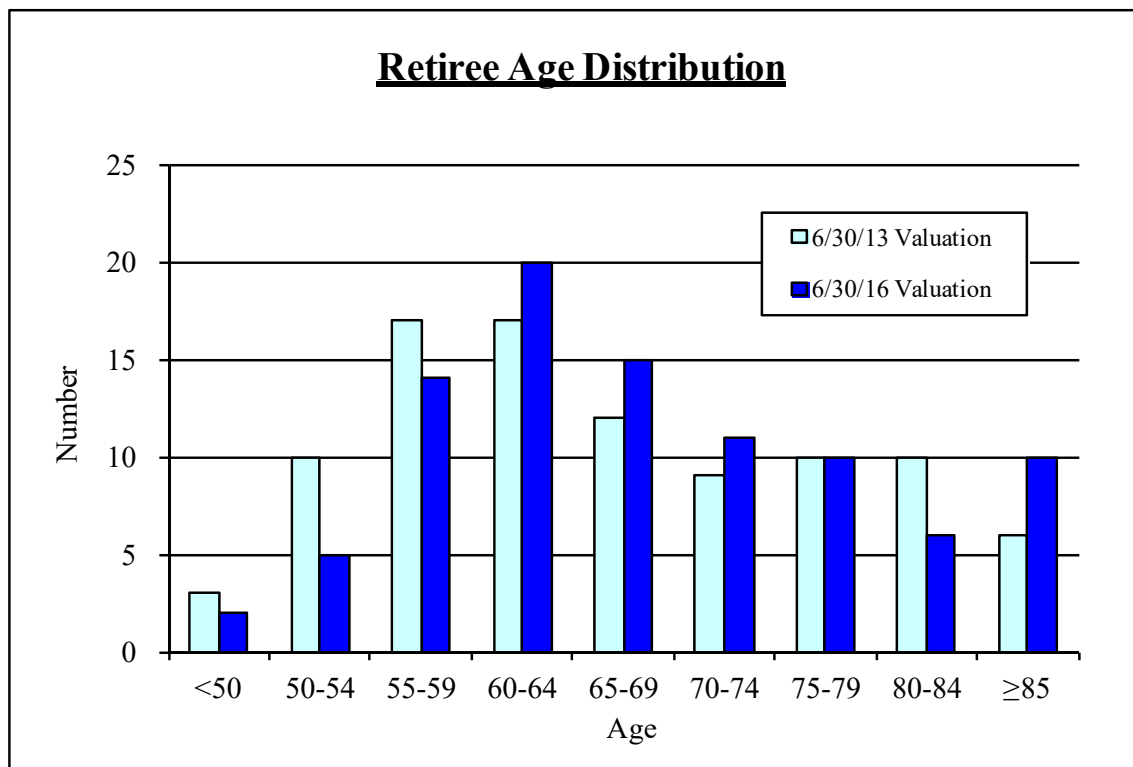
Retiree Healthcare Coverage by Age Group

Age	Single	2-Party	Family	Waived	Total
Under 50	1	-	1	-	2
50-54	-	1	2	2	5
55-59	3	3	8	-	14
60-64	1	14	3	2	20
65-69	1	12	1	1	15
70-74	5	6	-	-	11
75-79	5	5	-	-	10
80-84	3	3	-	-	6
Over 85	7	3	-	-	10
Total	26	47	15	5	93
Average Age ¹⁵	74.9	68.9	56.6	58.7	68.1

¹⁵ Includes 1 surviving dependent.



Retiree Age Distribution



	June 30, 2013 Valuation	June 30, 2016 Valuation
■ Funding Policy	• Pay-as-you-go	• Full ARC pre-funding
■ General Inflation	• 3.0% annually • CCCERA 12/31/12 valuation assumption is 3.25%	• 3.0% annually • CCCERA 12/31/15 valuation assumption is 3.25%
■ Merit Payroll Increases	• CCCERA 12/31/12 valuation assumption	• CCCERA 12/31/15 valuation assumption
■ Dental Trend	• 4.0% annually	• Same



November 22, 2016

E-17



ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2016 Valuation
■ Mortality	<ul style="list-style-type: none"> • 12/31/12 CCCERA assumption • Post-Retirement Rates: <ul style="list-style-type: none"> ➢ Healthy - RP-2000 Combined Healthy Table projected to 2030 with Scale AA, set back 1 year for General and 2 years for Safety ➢ Disability - RP-2000 Combined Healthy Table projected to 2030 with Scale AA set forward 6 years for males and 7 years for females for General and set forward 3 years for Safety 	<ul style="list-style-type: none"> • 12/31/15 CCCERA assumption • Post-Retirement Rates: <ul style="list-style-type: none"> ➢ Healthy - RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional MP-2015 setback 3 years for Safety ➢ Disability - RP-2014 Healthy Annuitant Mortality Table projected generationally with the two-dimensional MP-2015 set forward 8 years for General and set forward 3 years for Safety



November 22, 2016

E-18



8.1

	June 30, 2013 Valuation			June 30, 2016 Valuation		
■ Termination	● 12/31/12 CCCERA valuation assumption			● 12/31/15 CCCERA valuation assumption		
	<u>Service</u>	<u>Safety</u>	<u>General</u>	<u>Service</u>	<u>Safety</u>	<u>General</u>
	0	11.50%	13.50%	0	13.00%	13.50%
	1	6.50%	9.00%	1	8.00%	9.25%
	2	5.00%	9.00%	2	7.00%	9.00%
	3	4.00%	6.00%	3	5.50%	6.00%
	4	3.50%	4.50%	4	3.75%	4.50%
	5	3.00%	4.00%	5	3.25%	4.25%
	6	2.75%	3.75%	6	3.00%	3.75%
	7	2.50%	3.50%	7	2.75%	3.50%
	8	2.25%	3.25%	8	2.50%	3.25%
	9	2.00%	3.00%	9	2.25%	3.00%
	10	1.90%	2.75%	10	2.00%	2.75%
15	1.40%	2.10%	15	1.50%	2.10%	
20+	1.00%	2.00%	20+	1.00%	1.50%	



November 22, 2016

E-19



ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation			June 30, 2016 Valuation		
■ Disability Retirement	● 12/31/12 CCCERA valuation assumption			● 12/31/15 CCCERA valuation assumption		
	<u>Age</u>	<u>Safety</u>	<u>General</u>	<u>Age</u>	<u>Safety</u>	<u>General</u>
	20	0.02%	0.01%	20	0.02%	0.01%
	25	0.22%	0.02%	25	0.22%	0.02%
	30	0.42%	0.04%	30	0.42%	0.04%
	35	0.56%	0.08%	35	0.56%	0.08%
	40	0.66%	0.16%	40	0.66%	0.22%
	45	0.94%	0.32%	45	1.00%	0.36%
	50	2.54%	0.52%	50	2.88%	0.52%
	55	4.10%	0.66%	55	4.60%	0.60%
	60	4.80%	0.70%	60	5.00%	0.60%
	65+	5.00%	.70%	65+	5.00%	0.60%



November 22, 2016

E-20



8.1

	June 30, 2013 Valuation	June 30, 2016 Valuation																																																			
<ul style="list-style-type: none"> Service Retirement 	<ul style="list-style-type: none"> 12/31/12 CCCERA valuation assumption – General Tier 1 (enhanced) and Safety Tier A (average of enhanced and non-enhanced rates) <table border="1"> <thead> <tr> <th></th> <th><u>Safety</u></th> <th><u>General</u></th> </tr> <tr> <th><u>Age</u></th> <th><u>Enhanced</u></th> <th><u>Enhanced</u></th> </tr> </thead> <tbody> <tr> <td>45</td> <td>2%</td> <td>0%</td> </tr> <tr> <td>50</td> <td>25%</td> <td>5%</td> </tr> <tr> <td>55</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>60</td> <td>40%</td> <td>30%</td> </tr> <tr> <td>65</td> <td>100%</td> <td>40%</td> </tr> <tr> <td>70</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		<u>Safety</u>	<u>General</u>	<u>Age</u>	<u>Enhanced</u>	<u>Enhanced</u>	45	2%	0%	50	25%	5%	55	30%	20%	60	40%	30%	65	100%	40%	70	100%	100%	<ul style="list-style-type: none"> 12/31/15 CCCERA valuation assumption – General Tier 1 (enhanced) and Safety Tier A (average of enhanced and non-enhanced rates) <table border="1"> <thead> <tr> <th></th> <th><u>Safety</u></th> <th><u>General</u></th> </tr> <tr> <th><u>Age</u></th> <th><u>Enhanced</u></th> <th><u>Enhanced</u></th> </tr> </thead> <tbody> <tr> <td>45</td> <td>4%</td> <td>0%</td> </tr> <tr> <td>50</td> <td>30%</td> <td>5%</td> </tr> <tr> <td>55</td> <td>28%</td> <td>20%</td> </tr> <tr> <td>60</td> <td>35%</td> <td>28%</td> </tr> <tr> <td>65</td> <td>100%</td> <td>35%</td> </tr> <tr> <td>70</td> <td>100%</td> <td>50%</td> </tr> <tr> <td>75</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		<u>Safety</u>	<u>General</u>	<u>Age</u>	<u>Enhanced</u>	<u>Enhanced</u>	45	4%	0%	50	30%	5%	55	28%	20%	60	35%	28%	65	100%	35%	70	100%	50%	75	100%	100%
	<u>Safety</u>	<u>General</u>																																																			
<u>Age</u>	<u>Enhanced</u>	<u>Enhanced</u>																																																			
45	2%	0%																																																			
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60	35%	28%																																																			
65	100%	35%																																																			
70	100%	50%																																																			
75	100%	100%																																																			



November 22, 2016

E-21



ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2016 Valuation																																	
<ul style="list-style-type: none"> Service Retirement 	<table border="1"> <thead> <tr> <th></th> <th><u>General</u></th> <th><u>Safety</u></th> </tr> <tr> <th>Tier</th> <th>1 Enhanced</th> <th>A Enhanced</th> </tr> </thead> <tbody> <tr> <td>Benefit</td> <td>2%@55</td> <td>3%@50</td> </tr> <tr> <td>ERA</td> <td>60</td> <td>55.6</td> </tr> </tbody> </table>		<u>General</u>	<u>Safety</u>	Tier	1 Enhanced	A Enhanced	Benefit	2%@55	3%@50	ERA	60	55.6	<table border="1"> <thead> <tr> <th></th> <th><u>General</u></th> <th><u>Safety</u></th> </tr> <tr> <th>Tier</th> <th>1 Enhanced</th> <th>A Enhanced</th> </tr> </thead> <tbody> <tr> <td>Benefit</td> <td>2%@55</td> <td>3%@50</td> </tr> <tr> <td>ERA</td> <td>60.9</td> <td>55.6</td> </tr> <tr> <th>Tier</th> <th>4 Enhanced</th> <th>D Enhanced</th> </tr> <tr> <td>Benefit</td> <td>2%@62</td> <td>2.7%@57</td> </tr> <tr> <td>ERA</td> <td>n/a</td> <td>57.3</td> </tr> </tbody> </table>		<u>General</u>	<u>Safety</u>	Tier	1 Enhanced	A Enhanced	Benefit	2%@55	3%@50	ERA	60.9	55.6	Tier	4 Enhanced	D Enhanced	Benefit	2%@62	2.7%@57	ERA	n/a	57.3
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<ul style="list-style-type: none"> Participation at Retirement 	<ul style="list-style-type: none"> Currently covered - 100% Currently waived - 100% 	<ul style="list-style-type: none"> Same 																																	



November 22, 2016

E-22



8.1

	June 30, 2013 Valuation	June 30, 2016 Valuation
<ul style="list-style-type: none"> ■ Medical Plan at Retirement 	<ul style="list-style-type: none"> • Actives <ul style="list-style-type: none"> ➢ Currently covered - current plan election ➢ Currently waived - Kaiser • Retirees <ul style="list-style-type: none"> ➢ Currently covered - current plan election ➢ Currently waived - cannot elect once waived. 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> ■ Medicare Eligibility 	<ul style="list-style-type: none"> • Actives - 100% • Everyone eligible for Medicare will elect Part B coverage 	<ul style="list-style-type: none"> • Same



November 22, 2016

E-23



ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2016 Valuation
<ul style="list-style-type: none"> ■ Coverage & Marital Status at Retirement 	<ul style="list-style-type: none"> • Actives <ul style="list-style-type: none"> ➢ Spouse coverage - 2-party coverage based on CCCERA married assumption: <ul style="list-style-type: none"> - 75% males married - 50% females married ➢ Family coverage <ul style="list-style-type: none"> - Safety - 35% until age 65 - General - 35% until age 65 • Retirees - current coverage election 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> ■ Spouse Age 	<ul style="list-style-type: none"> • Males 3 years older than females 	<ul style="list-style-type: none"> • Same



November 22, 2016

E-24



8.1

June 30, 2016 Valuation	
■ Cost Method	<ul style="list-style-type: none"> • Entry Age Normal • Normal Cost is a level percentage of payroll
■ Plan Assets	<ul style="list-style-type: none"> • None
■ Amortization Method	<ul style="list-style-type: none"> • Level percent of payroll
■ Amortization Periods	<ul style="list-style-type: none"> • Fresh start of total UAAL at 6/30/13: 22-year fixed (closed) period for 16/17.
■ Implied Subsidy	<ul style="list-style-type: none"> • Employer cost for allowing non-Medicare eligible retirees to participate at active rates • Community rated plans are not required to value an implied subsidy if active rates are independent of number of retirees • PEMHCA is a community rated plan for most employers • Valuation does not include an implied subsidy



November 22, 2016

E-25



DEFINITIONS

<ul style="list-style-type: none"> ■ GASB 45 Accrual Accounting 	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CCCERA) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
<ul style="list-style-type: none"> ■ PayGo Cost 	<ul style="list-style-type: none"> ■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums



November 22, 2016

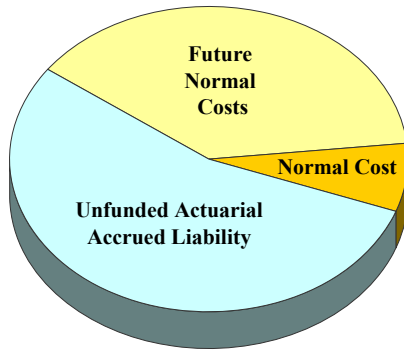
E-26



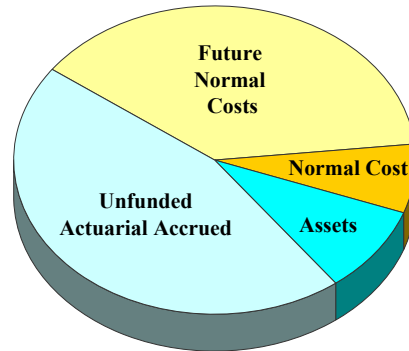
8.1

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**



November 22, 2016

E-27



DEFINITIONS

<p>■ Annual Required Contribution (ARC)</p>	<p>■ “Required contribution” for the current period including:</p> <ul style="list-style-type: none"> • Normal Cost • Amortization of: <ul style="list-style-type: none"> ➢ Initial UAAL ➢ AAL for plan, assumption, and method changes ➢ Experience gains/losses (difference between expected and actual) ➢ Contribution gains/losses (difference between ARC and contributions) <p>■ ARC in excess of pay-as-you-go costs not required to be funded</p>
<p>■ Net OPEB Obligation (NOO)</p>	<p>■ Net OPEB Obligation is the accumulated amounts expensed but not funded</p> <p>■ Net OPEB Asset if amounts funded exceed those expensed</p>
<p>■ Annual OPEB Cost (AOC)</p>	<p>■ Expense for the current period including:</p> <ul style="list-style-type: none"> • ARC • Interest on NOO • Adjustment of NOO <p>■ NOO adjustment prevents double counting of expense since ARCs include an amortization of prior contribution gains/losses previously expensed</p>



November 22, 2016

E-28





Moraga-Orinda Fire District

Fire Chief Stephen Healy

TO: Board of Directors
FROM: Stephen Healy, Fire Chief
DATE: November 16, 2016
SUBJECT: Item 10.3 – District Update and Activity Report: October 2016

OPERATIONS

1. Incident Responses:

- EMS/Rescue: 124
- Structure Fires: 1
- Vegetation Fires: 1
- Vehicle Accidents: 18
- All other calls: 136

Total: 280

2. Attended County Operations Chief's and CISM meetings
3. Assisted with the El Cerrito Fire Battalion Chief Exam
4. Finalized Standard of Cover Document

FIRE PREVENTION

1. Moraga Open House:

The fall open house and pancake breakfast celebrating fire prevention week was a huge success. Over 900 people attended the event and over \$1,475 was raised for the Alisa Ann Ruch Burn Foundation. Thanks to the all of the firefighters, MOFA, the Santos family, and all of the volunteers who helped make this event so successful.

2. Fire Code Adoption and MOFD Ordinance #16-02:

MOFD Board of Directions unanimously voted to approve the second reading at the public hearing for the adoption of the new fire code and Ordinance. The City of Orinda, Town of Moraga and Contra Costa County are on the agenda for November to ratify and adopt the new Code.

3. Orinda Counter Plan Review Services:

On October 12th, MOFD began offering limited counter services on Wednesdays in Orinda at the planning Department between 1-4:30pm. Our goal is to provide increased public services for limited plan review and project design consultation. It is also an opportunity to provide for a collaborative work environment with Orinda planning staff, the public and MOFD.

4. Hills Emergency Forum (HEF) Annual Breakfast:

The Fire Marshal, Fire Chief and the MOFD contract plans examiner attended the HEF annual breakfast in Oakland. Attendees included representatives from Cal Fire, Oakland, Berkeley, UC Berkeley, EBMUD, EB Parks, Kensington, ConFire, and Lawrence Livermore Lab. The new chair for 2017 will be EB Parks. HEF was formed after the Oakland Hills Fire in 1991 and continues to be an important group focusing on risk reduction and fire prevention education for the east bay hills.

5. Fire District Aide Interviews:

The Fire Marshal interviewed applicants for Fire District Aides. There were many strong candidates. The new District Aide should start in November.

6. Diablo Fire Safe Council:

The Fire Marshal attended the Diablo Fire Safe Council meeting. A discussion of grant funded projects included the approval of grant funding for an upcoming fuels reduction project for a project with Orinda Downs HOA, East Bay MUD and MOFD to reduce fuels in North Orinda. The project is slated to begin the spring of 2017.

7. District Projects:

a. Via Moraga (Moraga)

The 17-lot subdivision located at the old bowling site in Moraga on Moraga Road is sold out. Fire prevention staff is in the process of inspection the fire sprinkler systems as they are installed into the new homes.

b. Rancho Laguna II- Bella Vista (Moraga)

The Fire Marshal continues to monitor the site access to ensure that fire equipment can respond into the site with delay if needed. Rheem Boulevard continues to be closed to the public until December. 2 Models homes are currently in the framing stage.

c. Camino Ricardo (Moraga)

The 26-lot subdivision has most of the homes constructed to the framing stage. Fire Prevention staff is conducting inspections of the fire sprinkler systems as the homes are being built.

d. Wilder (Orinda)

The Fire Marshal is in the process of reviewing preliminary designs for the proposed “Country House”, a senior assisted care facility on the one acre site adjacent to Highway-24, across from the ballfields.

EMERGENCY PREPAREDNESS

1. On Saturday, October 1, Communications/Support and CERT volunteers joined the District at Station-41 for the semi-annual open house. The Communications/Support Unit personnel set up the vehicle and demonstrated fireground REHAB equipment and communications gear. CERT volunteers promoted CERT training and displayed first aid and community emergency preparedness supplies.
2. On Monday evening, October 10, Dennis Rein co-presented with CERT Instructor/volunteer Gordon Nathan a CERT monthly update session on “Fighting Wildfires from Two Perspectives”. Staff discussed the complexities of managing major wildfires from an incident management team perspective while Mr. Nathan explained the logistical needs of large incidents. About 30 Lamorinda CERT members attended.
3. On Wednesday evening, October 5 & 11 Lamorinda CERT continued its Fall Basic CERT Training sessions in Orinda. There are approximately thirty two participants in the class.
4. On Saturday, October 15, Dennis Rein, Robert Pope (Lamorinda CERT, Deputy Program Manager) participated in the Emergency Preparedness Clinic sponsored by the Moraga Orchard Supply-Hardware. Robert was there to talk about emergency preparedness and the MOFD-sponsored Lamorinda CERT program.
5. On Wednesday evening, October 19, Dennis Rein attended the CERT graduation exercise at Station-45. Approximately 30 new CERT members demonstrated their ability to implement emergency communications, conduct light search and rescue operations, set up a triage area, properly use fire extinguishers, and safely lift heavy objects with cribbing.
6. On Wednesday evening, October 19 Dennis Rein attended the Lamorinda Radio Interest Group meeting in Orinda. Nineteen amateur radio operators from the community attended the meeting. The training session included setting up Orinda’s Emergency Operations/ Communications Center equipment. Volunteers also signed up to help with the cities with communications at the 10/20/16 Great ShakeOut exercises.
7. On Thursday, October 20, Dennis Rein coordinated several Lamorinda ShakeOut exercises. The Town of Moraga, Saint Mary’s College and MOFD activated their Emergency Operations Centers. Lafayette and Orinda activated the communications functions to participate in the exercise. The Moraga School District and Miramonte High School also participated. The exercise was designed to test our ability activate elements of the emergency operations plans in response to a large earthquake. District Administrative Staff and four Support Unit Volunteers staffed the MOFD center at Station-45. The team set up emergency communications and went through recalling off-duty fire operations personnel back to stations (simulated).
8. On Saturday, October 29, Dennis Rein attended the Lamorinda Radio Interest Group’s “Repeater Site Clean Up Day” on Grizzly Peak Blvd. The semi-annual clean-up of the

site is done by the volunteer members of the group in exchange for rent. The site houses the District's Lamorinda CERT GMRS repeater as well as equipment owned by the HAM club and the Orinda Union School District.

TRAINING

1. Coordinated training schedule and logistics for Live Fire Training at LP Fire
2. Participated as a rater for Berkeley Fire Captain's exam
3. Conducted meeting with Con Fire for Multi-company and future Training
4. Hosted District Training Committee meeting
5. Scheduled Probationary Firefighter evaluation

APPARATUS

1. Completed annual service and repairs on TDA Trainer (RT-44), E-41, surplus medic unit 420, and Support-241.
2. Coordinated research and scheduled medic unit sub committee
3. Participated in apparatus committee, truck and medic unit subcommittee
4. Coordinated New TDA training dates

EMS

1. Participated in Contra Costa County Survivors Award luncheon
2. Performed audit of all MOFD personnel EMT/Paramedic certifications
3. Completed 3rd Quarter EMS Training
4. Scheduled winter EMS training
5. Monitored Ambulance Contract Compliance (on-going)
6. Audited Patient Care Reports

SUPPORT SERVICES

1. Continued to support Station-43 construction project through weekly meetings
2. Evaluating feasibility of improved exterior warning signal on Moraga Way for Station-44
3. Completed Station-41 parking pad
4. Continued to provide logistical support for all district facilities

ADMINISTRATIVE SERVICES

1. Continued preparation of Comprehensive Annual Financial Report
2. Continued implementation of financial transparency software
3. Provided administrative support to the Station-43 Reconstruction project
4. Completed recruitment for position of Fire Inspector/Plans Examiner
5. Continued recruitments for position of Battalion Chief
6. Completed open enrollment for CalPERS medical insurance
7. Held open enrollment for Section 125 health and dependent care plan and supplemental benefits plan.
8. Completed telecommunications and wireless audit to decrease telecommunications costs.
9. Began 2016 records destruction process
10. Attended Administration Committee meeting
11. Attended Contra Costa County Employees' Retirement Association meeting

OFFICE OF FIRE CHIEF

1. Provided (on-going) staff support related to Station-43 re-construction project
2. Provided staff support to Admin Division with legal matters, recruitment, and promotional exams.
3. Provided staff support for Support Services Division with apparatus deployment and acquisition.
4. Provided staff support for Operations Division with drone acquisition and deployment policy development.
5. Hosted Management Team meetings
6. Applied research project for USFA/NFA (ongoing)
7. Met with Orinda School Superintendent re disaster planning and safety education for children.
8. Completed 2016 Standards of Cover (SOC) Report
9. Completed 2016-21 Strategic and Business Plans
10. Completed fire investigation for Canyon Road Incident
11. Attended Canyon Road Incident After Action Review (AAR)
12. Attended Annual Hills Emergency Forum meeting
13. Attended MOFD Open House
14. Attended Apparatus Committee meeting
15. Attended *Great ShakeOut* Pre-planning Meeting
16. Participated in *Great ShakeOut* exercises