

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

July 17, 2019

(Approved September 18, 2019)

1. The Board of Directors convened in Open Session at 7:42 p.m. on July 17, 2019 at the Sarge Littlehale Room, 22 Orinda Way, Orinda, California. President Danziger called the meeting to order. Present were the following Directors and Staff:

Director Baitx
Director Donner
Director Jex

Director Jorgens
President Danziger
Dave Winnacker, Fire Chief

Admin. Services Director Gloriann Sasser
HR Benefits Manager Christine Russell
Jonathan Holtzman, District Counsel
Patricia Edwards, Interim District Clerk

2. **PUBLIC COMMENT**

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

3. **CONSENT AGENDA**

- 3.1 **Meeting Minutes – June 19, 2019 (regular), July 8, 2019 (special)**

Staff Recommendation: Approve and File

- 3.2 **Monthly Incident Report for June 2019**

Staff Recommendation: Approve and File

- 3.3 **Monthly Check/Voucher Register – June 2019**

Staff Recommendation: Approve and File

- 3.4 **Monthly Financial Report – May 2019**

Staff Recommendation: Approve and File

- 3.5. **Monthly Financial Report (Preliminary) – June 2019**

Staff Recommendation: Approve and File

Director Jorgens noted anomalies in the MOFD Response Time Summary report. He suggested that the report be changed to make the information more useful.

Motion by Director Jorgens and seconded by Director Baitx to approve the Consent Agenda. Said motion carried a 5-0 voice vote (Ayes: Baitx, Jex, Jorgens, Donner, and Danziger; Noes: None; Absent: None) and all Consent Agenda items were approved. There was no comment from the public.

4. **REGULAR AGENDA**

- 4.1 **PARS OPEB Pre-Funding and Pension Rate Stabilization Trust Program Annual Client Review**

Administrative Services Director Gloriann Sasser provided the report. The District uses an irrevocable trust to fund OPEB costs for retiree medical and also sets aside money in a pension rate stabilization trust. The District participates in the Public Agency Retirement Services (PARS) Public Agencies Post-Employment Benefits Trust. PARS provides an annual client review of the trust program. PARS Executive Vice President Mitch Barker and High Mark Capital Management Senior Portfolio Manager Andrew Brown attended the meeting and presented their annual review. (This information is available in Attachment A for Item 4.1 "OPEB Pre-Funding Trust Program & Pension Rate Stabilization Program Client Review".) Director Jex noted that the District is budgeting contributions to OPEB but not making these contributions at the actuarial level. Director Jorgens asked if the District's 6.25% target yield is realistic. Mr. Brown discussed factors affecting the 2019 Outlook.

President Danziger opened the public comment. There were no requests to address the Board. President Danziger closed the Public Comment. No action was taken by the Board as this was an information only item.

4.2 Adopt Resolution 19-10 Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54 and Adopting a Revised Fund Balance Policy

Administrative Services Director Gloriann Sasser provided the report. The District has a Fund Balance Policy (Policy) that requires annual review by the Board. The Policy states the District will maintain a minimum fund balance of unrestricted fund balance in the General Fund of at least 17% of budgeted General Fund revenue at fiscal year-end. At June 30, 2018, the unrestricted fund balance in the General Fund was 28% (\$6.3M). At June 30, 2019, the unrestricted fund balance in the General Fund is projected to be 32%. Staff has reviewed the Policy and no changes are recommended. GASB 54 requires the following components of fund balance: Nonspendable; Restricted; Committed; Assigned; and Unassigned.

Director Jorgens noted that the fund balance as of June 30th is misleading because it is artificially high. The figure should be an average fund balance over the year. ASD Sasser stated that the fund balance is measured at year-end on June 30th. President Danziger asked if there is a better way to describe it. Director Jex noted that the 17% figure was set by the Board as a minimum for survival and it is an antiquated figure. He stated that this is a 'target' and not a minimum fund balance. Board action is required to increase this figure. Chief Winnacker noted that any unallocated funds go to the unrestricted reserves. ASD Sasser noted that the District did not use the Teeter Plan in 2019 and she does not project that the District will need to use it in 2020. President Danziger noted that the reserves fluctuate with the receipt of property taxes. Director Jex recommended a 50% target for reserves. Chief Winnacker noted that the Long Range Financial Forecast identifies a goal of 50% but acknowledged the competition for allocations between the unrestricted and restricted reserves.

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

After discussion of the preferred wording, Motion by Director Jorgens and seconded by Director Donner to amend (bold type) the Fund Balance Policy to read "The District will maintain a Minimum Fund Balance of unrestricted fund balance in the General Fund of at least 17% of budgeted General Fund revenue at fiscal year-end with a long-term goal of achieving a 50% year-end General Fund balance." Said motion carried a 4-0-0-1 voice vote (Ayes: Donner, Jex, Jorgens, and Danziger; Noes: None; Absent: None; Abstain: Baitx).

Motion by Director Jorgens and seconded by Director Jex to adopt Resolution 19-10 Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54 and Adopting a Revised Fund Balance Policy as amended. Said motion carried a 4-0-0-1 voice vote (Ayes: Donner, Jex, Jorgens, and Danziger; Noes: None; Absent: None; Abstain: Baitx).

4.3 Citibank Banking Services Contract Update

Administrative Services Director Gloriann Sasser provided the report. At the June 19, 2019 Board meeting, the Board asked staff to provide information regarding the District's banking contract. The District has used the services of Citibank since 2004. On September 21, 2015, the District issued a request for proposal (RFP) for general banking and cash management services. The RFP was sent to eleven banks and four proposals were received. The purpose of the proposal was to reduce costs of general banking and cash management services. This included reduction in internal operating costs by employing current technology. The proposal also included requirements to use improved processes for banking safety and security. Prior to the new contract, banking fees were approximately \$10,000-\$11,000 per year. The current annual banking fees are approximately \$5,000 per year. The terms of the RFP were to award a three-year term, with the option to renew annually for an additional two years. Four banks submitted qualified proposals to the District: Bank of the West, Citibank, JPMorgan Chase Bank, N.A., and Westamerica Bank. All four banks were sufficiently capable to provide the services required by the District. The fees are offset with an earnings credit rate of .4%. Based on the earnings credit rates and proposed bank fees, the contract was awarded to Citibank, N.A. for the period December 1, 2015 through November 30, 2018. The contract was then renewed for the period December 1, 2018 through November 30, 2019. Staff recommends the District continue to exercise the option to extend the Citibank contract through November 30, 2020.

Director Jorgens asked what services the bank provides for its fees. ASD Sasser said that the District has a payroll account and an accounts payable account. Service fees include: internal controls, 'positive pay', debit filters, remote deposits, ACH payments, etc. ASD Sasser stated that other funds are held by the county and Local Agency Investment Fund (LAIF). The District limits county transfers as there is a charge for these transfers. Director Jorgens asked how much money is held by the bank. ASD Sasser stated that the bank holds approximately \$300,000 in the payroll account and \$1M in accounts payable in March 2019. Director Jex asked if there have been any problems and if there was any reason to change banks. ASD Sasser responded no. Director Jorgens noted that Citibank is good on both fees and payments.

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

President Danziger asked if a vote was needed to continue the contract. ASD Sasser replied that staff was requesting direction. The Board unanimously verbally agreed to extend the Citibank contract through November 30, 2020.

4.4 Authorize the MOFD Board President to Execute on Behalf of the District an Amendment to the Letter of Engagement with Renee Public Law Group, District Counsel Services.

Counsel Holtzman recused himself from this item. Chief Winnacker provided the report. Since December 2017, the District has contracted with Renee Public Law Group (RPLG) for District Counsel legal services. District Counsel notified staff of an increase to the hourly rate from \$295 to \$345 per hour. The new Letter of Engagement with RPLG reflects the increased hourly rate. He noted that the District has a good working relationship with RPLG. Counsel Holtzman provides information at a strategic level and is able to provide options on requested items.

Director Jorgens noted that the new hourly rate increase was significant and asked if an option would allow the District to ease into the higher rate. ASD Sasser stated that this is a blended rate which includes services by Counsel Holtzman and other RPLG staff. President Danziger noted that Counsel Holtzman is well known and respected. Chief Winnacker stated that the District receives high quality advice and expertise and access to knowledgeable RPLG staff. He added that the District does not bill many hours at the maximum rate. Director Jex questioned the effect of the new rate on the budget. ASD Sasser responded that there was no change. President Danziger questioned the terms of the agreement. Director Jorgens stated that the agreement with RPLG is at will. Chief Winnacker concurred.

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

Motion by Director Jorgens and seconded by Director Baitx to Authorize the MOFD Board President to Execute on Behalf of the District an Amendment to the Letter of Engagement with Renee Public Law Group, District Counsel Services. Said motion carried a 5-0 voice vote (Ayes: Baitx, Jex, Jorgens, Donner, and Danziger; Noes: None; Absent: None).

4.5 North Orinda Shaded Fuel Break Update

Chief Winnacker provided the report. In June 2019, MOFD entered into a contract with CalFire to carry out a grant funded \$4.0M fuels mitigation project along 14 miles from Lafayette to Tilden Park. In June, the board authorized a contract with Sequoia Environmental to conduct biological monitoring of the project and in July, the board authorized a contract with FireStorm Inc. to conduct fuels reduction work. The District entered into a contract with California Conservation Corps (CCC) for additional fuels reduction work and has been benefiting from the availability of CalFire hand crews on a no-fee basis.

Hand crews from CCC and CalFire have been working on the Sleepy Hollow unit in vicinity of Sleepy Hollow Elementary School since July 9, 2019. Two ten-man crews are currently working with weed eaters on Lafayette Ridge and camping at the Russell Tree Station. It is expected to ramp up to 100 workers in the next week. Large scale work on Lafayette Ridge will begin on July 16th. A public dashboard to

provide updates is being developed and will be available in the near future as work ramps up. Camp is being set up at the Russell Tree Research Station. The camp reduces lodging costs and travel time for the workers. It also reduces vehicle traffic on congested roads at peak times.

Director Jorgens asked what the next step is. Chief Winnacker stated that the crew will work to remove brush and ladder fuels. He noted that the brush areas are an identified whipsnake habitat. The crew must stay within the landowners' fuels mitigation prescriptions. Sequoia Ecological Consulting is performing their work in advance of the hand crews. The biological clearances are only good for seven days so the biologists are working barely in front of the hand crews. If the crew is able to ramp up to the expected 100-125 staffing, the hand crew work should be completed by the end of August. The project will change focus to timber and the removal of selected diseased, dead, and non-native Monterey Pine and Eucalyptus trees. The power burn or controlled line burn are expected to be conducted in the fall. President Danziger asked who will conduct the burns. Chief Winnacker stated that all burns will be done exclusively by MOFD or CalFire. The District can be reimbursed for any burn work done on the NOSFB.

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

5. COMMITTEE REPORTS

5.1 Finance Committee (Directors Danziger and Jorgens)

No report.

5.2 Audit Ad Hoc Committee (Director Jex)

Director Jex stated that Chief Winnacker, ASD Sasser, and he met with Vavrinek, Trine, Day & Co., LLP regarding the scope of the District audit. The auditors will review: the completion of Station 43 and its capitalization costs; contract controls for the \$4M state grant; areas of billing for ambulance services and recovery procedures; and information regarding bench marking with other districts. President Danziger stated that he would like to serve on the Audit Committee. Counsel Holtzman noted that two Board members can serve on an Ad Hoc Committee. If this Committee was changed to a Standing Committee, it would need to comply with the public meeting posting requirements. He added that Board members of public entities are not typically members of Audit Committees. President Danziger asked Counsel Holtzman to research the item and include this item on the next Board agenda.

5.3 Long Range Financial Plan Ad Hoc Committee (Directors Donner and Jorgens)

No report.

5.4 Facilities Ad Hoc Committee (Directors Baitx and Donner)

No report.

5.5 Fire Chief Performance Evaluation Ad Hoc Committee (Directors Baitx and Donner)

No report.

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

6. ANNOUNCEMENTS

6.1 Brief information only reports related to meetings attended by a Director at District expense (Government Code Section 53232.3(d))

6.2 Questions and informational comments from Board members and Staff

No report.

6.3 Fire Chief Updates

HR Benefits Manager Christine Russell reported on the District's recruitment status. Four candidates are processing through the firefighter/paramedic requirements. The final candidates will be enrolled in the Berkeley Fire Academy in October. Interviews for four candidates for the Fuels Mitigation Manager will be held on July 18, 2019. The initial approved Fire Marshall candidate withdrew. Interviews for three candidates for the Fire Marshal will be held on July 23, 2019. On July 17, 2019, the District Aide position opened and six openings are available. This is a part time, seasonal, nonbenefitted position.

Chief Winnacker reported that there were several burns. The prescribed burn at Painted Rock created a significant amount of public concern in advance of the burn. He described the safety precautions that were taken. It was an interagency effort with East Bay Municipal Utility District and the East Bay Regional Parks District and very successful. There was a mixture of fuels and provided an excellent training

opportunity for staff. Controlled burns within the District are open to East Bay Municipal Utility District, East Bay Regional Parks District and surrounding agencies. This venue provides the opportunity for metropolitan or suburban firefighters to get experience. The training allows knowledge to transfer with the District's goal to have ten 'burn bosses'. Another burn was conducted at the Duffel parcel. The MOFD drone was deployed and the information was downloaded in a digital point file to provide a three-dimensional rendering of the ground. This is an inexpensive and very useful tool. Data were also available from the field sensors to generate a heat map. As the fire burns, the heat map displays, in a graphic representation, where the fire is moving, how fast, and how hot it is burning. Having this data enables the firefighters, in a single glance, to develop an understanding of the situation and preplan prior to arriving at the site. Chief Winnacker noted that having field sensors at Sleepy Hollow could act as an early warning system. If the weather remains favorable, there is a possibility of another prescribed burn, possibly in the city.

Chief Winnacker provided information on the status of the District's Red Tag efforts. He described the program which tracks progress towards fuels mitigation. Property owners received several notices. The focus is on properties along evacuation routes. Many residents are aware of the fire danger and the District is receiving an increase in the number of complaints for noncompliant properties. The District is short staffed but is making progress clearing out the backlog. The District is using a 360-degree camera to create photographs of roadside vegetation and problem areas. Enforcement efforts are focusing on the tree canopy along the roadside. A new program provides residents with a letter, code violation, and pictures describing the noncompliance. Using the citation number, link, and last name, residents can access the violation and see what needs to be removed. They can take a picture with their smart phone and self-report their compliance. He described the problems of ladder fuels. Chief Winnacker described the lien process which would occur in the event that the property is not in compliance. The Board is required to conduct a hearing in order to approve the properties for a work order and create the lien notice.

6.4 Communications Received

Chief Winnacker reported that two thank you cards were received.

6.5 Future Agenda Items

7. ADJOURNMENT

President Danziger requested that the meeting be adjourned in memory of Supreme Court Justice John Paul Stevens, the third longest tenured serving and second oldest Justice. At 9:54 p.m., Director Jorgens' motion to adjourn the meeting was seconded by Director Baitx. Said motion carried a 5-0 vote (Ayes: Baitx, Jex, Jorgens, Donner, and Danziger; Noes: None; Absent: None).

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