



Moraga-Orinda Fire District
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
August 21, 2024
(Approved 09/18/2024)

1. OPENING CEREMONIES

The Board of Directors convened an Open Session at 6:01 p.m. on August 21, 2024, at the Orinda Library Auditorium, 26 Orinda Way, Orinda, California 94563. This meeting was conducted in a hybrid format with in-person and remote options for public participation. Both audio and video recordings of this meeting are available at www.mofd.org/agendas.

President Roemer called the meeting to order, requested an attendance roll call, and led the Pledge of Allegiance. Present were the following Directors and Staff (present in person unless noted with asterisks):

Board Members: Director Steven Danziger, Director Greg Hasler, Director John Jex, Director Craig Jorgens, President Mike Roemer

Staff: Fire Chief Dave Winnacker, Administrative Services Director Gloriann Sasser, Human Resources Manager Christine Russell, District Clerk Marcia Holbrook

District Counsel: Renne Public Law Group Founding Partner Jonathan Holtzman and Senior Analyst Luke Jensen

2. PUBLIC COMMENT – CLOSED SESSION ITEMS (video 00:03:04)

The District received one written comment from Jonathan Goodwin, a Canyon resident, addressing closed session item 3.6, Conference with Legal Counsel - Existing Litigation (Pearson) The public comment was forwarded to the Board of Directors and posted on the district website at www.mofd.org/agenda under the August 21, 2024, board meeting documents public comment section, and is attached to these minutes.

At 6:02 p.m., the Board adjourned to Closed Session.

3. CLOSED SESSION

3.1 Conference with Labor Negotiator - Local 1230, IAFF

(Government Code Section 54957.6)

Employee Organization: Local 1230, International Association of Firefighters IAFF

Agency Designated Representative: Luke Jensen

3.2 Conference with Labor Negotiator – MOFCOA

(Government Code Section 54957.6)

Employee Organization: Moraga-Orinda Fire Chief Officers' Association

Agency Designated Representative: Luke Jensen

3.3 Conference with Labor Negotiator - Unrepresented Employees

(Government Code Section 54957.6)

Employee Organization: Unrepresented Employees

Agency Designated Representative: Luke Jensen

3.4 Conference with Legal Counsel - Existing Litigation (Larson)

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Keith Larson v. Moraga-Orinda Fire District, permissibly self-insured, adjusted by ATHENS ADMINISTRATORS, Defendants

Adjudication Number: ADJ17881925

3.5 Conference with Legal Counsel - Existing Litigation (Nowicki)

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Peter J. Nowicki v. Contra Costa County Employee' Retirement Association, Moraga-Orinda Fire District, and Does 1 - 25 inclusive

Case No. Case No. MSC17-01266

3.6 Conference with Legal Counsel - Existing Litigation (Pearson)

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Sandia Pearson and Anita K. Pearson v. Moraga-Orinda Fire District

Case No. N23-2201

At approximately 7:05 p.m., the Board adjourned the Closed Session.

4. RECONVENE THE MEETING (audio 00:00:21/video 1:14:05)

President Roemer reconvened the Moraga-Orinda Fire District Board of Directors regular meeting at **7:13 p.m.** Present were the following Directors and Staff (present in person unless noted with asterisks):

Board Member: Director Steven Danziger, Director Greg Hasler, Director John Jex, Director Craig Jorgens, President Mike Roemer

Staff: Fire Chief Dave Winnacker, Administrative Services Director Gloriann Sasser, Fire Marshal Jeff Isaacs, Battalion Chief Lucas Lambert, Finance Manager Mary Smith, Human Resources Manager Christine Russell, and District Clerk Marcia Holbrook

District Counsel: Renne Public Law Group Founding Partner Jonathan Holtzman

5. REPORT OF CLOSED SESSION ACTION (audio 00:00:36/video 1:14:27)

There was no reportable action regarding items 3.1-3.6.

6. PROCLAMATION (audio 00:00:50/video 1:14:41)

6.1 Proclamation 25th Anniversary Flag Commemoration and Preservation in the Town of Moraga's Time Capsule

The Board of Directors dedicated the MOFD 25th Anniversary Flag to be preserved in the Town of Moraga's time capsule. District Clerk Holbrook announced that the Moraga Time Capsule will be buried in front of the Town of Moraga Council Chambers on November 12.

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

7. ANNOUNCEMENTS (audio 00:02:50/video 1:16:47)

7.1 Brief information only reports related to meetings attended by a Director at District expense (Government Code Section 53232.3(d)). None reported.

7.2 Questions and informational comments from Board members and Staff. None reported.

7.3 Communications Received. None reported.

7.4 Fire Chief Updates

a. Finance Report

Finance Manager Smith provided the update on Strike Team receivables, the Tunnel East Bay Hills Fuel Break Project budget, and Treasury Bill (T-Bill) investments. The district currently has \$21.1M invested in T-Bills. A prepayment in the amount of \$8M was made to CCCERA in July 2024; the FY24 audit is scheduled for the week of August 26, 2024. The presentation is attached to these minutes (item 7.4(a)). Fire Chief Winnacker added that the Fire Marshal report would provide more updates about the operational components of the Tunnel East Bay Hills Fuel Break project, which is related to item 9.13 on the consent agenda.

b. Human Resources

HR Manager Russell provided an update on recruitment and employment changes. An internal recruitment for Battalion Chief commenced on August 1 and will conclude October 30, 2024. Recruitment for an Office Specialist in Fire Prevention was open on July 15 and concluded July 23, 2024. Interviews are scheduled for Friday, August 23, 2024. A recruitment for a Deputy Fire Chief position was opened on August 21, 2024, and will close on August 22, 2024, at 5:00 p.m. HR Manager Russell reported on recent employment changes, noting separations from two positions: Office Specialist in Fire Prevention and a Firefighter-Paramedic. HR Manager Russell then welcomed new employee Julie Sparks as the Office Specialist in Emergency Preparedness. Director Danziger inquired if the firefighter paramedic who left was a probationary employee. HR Manager Russell confirmed. Fire Chief Winnacker introduced Ms. Sparks. Ms. Sparks expressed her appreciation.

c. Fire Marshal

Fire Marshal Isaacs provided a status report on the outstanding juniper and school occupancy violations. There are nine outstanding Juniper cases, most of which involve extensions requested by property owners. One case was delayed due to an environmental issue involving a nesting bird in the juniper. With the help of an environmental consultant, a resolution is expected next month. Fire Marshal Isaacs reported staff plans to conduct school inspections the week of August 26-30, 2024. Director Danziger asked if the E-occupancy inspections included preschools and mentioned a new preschool in Wilder. Fire Marshal Isaacs answered grades K through 12. Fire Chief Winnacker added preschools are inspected if there is a permit-required event, such as a change in occupancy or construction.

d. Tunnel East Bay Hills Fuel Break Project

Fire Marshal Isaacs provided the update. Before and after photos were presented to illustrate the progress of the fuel break, attached to these minutes item 7.4(d). Hand crews are being used instead of heavy equipment due to environmental concerns identified by consultants. Two contractors are utilized, one is local, and one is located outside the area. Fire Marshal Isaacs noted the benefits of having a local crew and the reason for the recommendation to increase the Wildland contract (consent agenda item 9.13). Both companies will be utilized until October 4, 2024. At that point, the remaining balance of the grant is expected to be around \$900K to \$1M. The project will then be reduced to one crew for pile burning and prescribed fire activities. Fire Chief Winnacker outlined the strategic use of district grant funds to employ hand ConFire Crew 12 through the winter for prescribed fire and pile burning. Fire Marshal Isaacs stated the project is scheduled to be completed by March 15, 2025, on time and under budget, with no expected issues.

Director Jorgens asked about regrowth rates and maintenance costs for cleared areas. Fire Marshal Isaacs discussed plans to seek additional grants for fire mitigation and hazardous fuel reduction to maintain these areas and mentioned that East Bay Municipal Utility District is considering reintroducing goats for property maintenance. Fire Chief Winnacker highlighted the benefits of the added position of Office Specialist for Emergency Preparedness, and the District's ability to increase focus on prescribed burns, future grant opportunities for fuel break maintenance, and how the CAL VTP environmental document permits future maintenance in the project areas.

e. Home Hardening Grant Program

Fire Chief Winnacker provided an update on the distribution of Gutter Glove materials, stating that these will now be shipped directly from the manufacturer to residents. This change addresses previous limitations caused by a lack of storage and distribution resources. Additionally, the department is working on providing custom-sized ember-resistant mesh. Director Danziger inquired about public notification and the timeline for implementation. Fire Chief Winnacker responded that the District plans a gradual rollout before widely promoting the program.

Director Danziger asked about ongoing code enforcement violations related to juniper cases. Fire Marshal Isaacs reported that these cases involve ongoing citations, with one homeowner being non-compliant and verbally aggressive. Further action is being considered. Director Danziger suggested escalating such cases to the Board. Fire Chief Winnacker highlighted the legal complexities of performing non-voluntary work on occupied private properties. Director Danziger also mentioned a property on Rheem Boulevard with multiple unresolved citations. Director Jex asked about the collections processes for unpaid citations. Fire Chief Winnacker explained how the citation processes differ from ambulance billing, which focuses on compliance rather than revenue. The department often waives fees after compliance, making collections less practical.

President Roemer inquired about compliance in Zone Zero. Fire Chief Winnacker reported a 78% initial failure rate and nearly 50% failure on re-inspections. Director Jorgens asked about the issuance of pre-citations or citations following subsequent violations. Fire Chief Winnacker explained the pre-citation and citation process. Fire Marshal Isaacs announced a new "Welcome to the fire district letter" for new residents to enhance educational outreach. Director Danziger asked if the letter was a draft and if Directors could provide input, which Fire Marshal Isaacs confirmed.

f. Standards of Cover

Fire Chief Winnacker reported no current update; the timeline is uncertain due to alignment with other related factors to ensure the updates proceeded in the correct sequence.

g. Operations

Battalion Chief Lambert provided an overview of recent District activities. A recap of 4th of July events, including public gatherings and a significant fire in Pittsburg linked to fireworks; MOFD responded to 1,104 county-wide calls and participated in mutual aid for fires in California, Washington, and Oregon; a review of recent incidents, including two quickly contained vegetation fires on Grizzly Peak Boulevard and vehicle fire management on Highway 24, and highlighted ongoing training and community engagement efforts, including a fire safety event at Moraga Royale. The presentation is attached to these minutes (item 7.4(g)).

h. Upcoming Calendar and Events - (8/21/24-9/18/24)

Fire Chief Winnacker shared the Joint Fire Prevention Ad Hoc or "two by two" meeting is scheduled for August 22, 2024. A Tri-agency meeting is scheduled for October 21, 2024, with the Orinda City

Council, and the Moraga Town Council. The Moraga Pancake Open House event is scheduled for October 5, 2024, at Station 41.

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

8. PUBLIC COMMENT – ITEMS NOT ON THE AGENDA (audio 00:41:46/video 1:55:27)

Dave Hoppock, Orinda resident, expressed deep appreciation for MOFD's response to his medical emergency and shared details of these life-saving efforts. He reported having made a donation to Rescue One in honor of the Firefighters and to support EMS future equipment purchases.

There were no additional requests to address the Board.

9. CONSENT AGENDA (audio 00:44:30/video 1:58:21)

- 9.1 Meeting Minutes - June 19, 2024 (regular), July 25, 2024 (special). Approve and File
- 9.2 Monthly Incident Report - June 2024 and July 2024. Approve and File
- 9.3 Monthly Check/Voucher Register - June 2024 and July 2024. Approve and File
- 9.4 Monthly Financial Report - June 2024 and July 2024. Approve and File
- 9.5 Quarterly Investment Report - June 30, 2024. Approve and File
- 9.6 PARS Annual Statement - June 2024. Receive and File
- 9.7 Approve Continuing the Current Discount Rate of 6.25% to be used for the Other Post Employment Benefits Actuarial Valuation Report as of June 30, 2024; Approve Continuing the Current Discount Rate of 6.25% to be used for the Pension Rate Stabilization Trust Fund
- 9.8 Declare one 2002 International/Westates Type III Fire Engine and one 2016 International/Leader Ambulance Cab and Chassis surplus
- 9.9 Declare SCOTT self-contained breathing apparatus surplus
- 9.10 Adopt Resolution 24-09 Amending the District Conflict of Interest Code. Staff Recommendation: Adopt Resolution 24-09, a Resolution of the Moraga-Orinda Fire
- 9.11 Adopt Resolution 24-10 Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54 and Adopt the Fund Balance Policy
- 9.12 Authorize the Fire Chief to Enter Into an Agreement with Gutterglove, Inc. for Stainless Steel Gutter Covering Material in the Amount Not to Exceed \$99,500
- 9.13 Authorize Amendment to Increase Wildland Corporation Contract in the Amount of \$1.5 Million. Authorize Staff to enter into a not to exceed contract amendment with Wildland Corporation in the amount of \$3.5 million dollars in order to close out the Tunnel East Bay Hills Shaded Fuel Break

President Roemer opened Public Comment.

The District received one written comment from Jonathan Goodwin, Canyon resident, expressing concern about consent agenda item 9.13. The public comment was forwarded to the Board of Directors and posted on the district website at www.mofd.org/agenda under the August 22, 2024, board meeting documents public comment section, and is attached to these minutes. President Roemer acknowledged the comment.

There were no additional requests to address the Board.

Motion by Director Jorgens and seconded by Director Danziger approved Consent Agenda items 9.1-9.13. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

10. REGULAR AGENDA

10.1 PARS Other Post Employment Benefits Pre-Funding and Pension Rate Stabilization Trust Program Annual Client Review (audio 00:45:46/video 1:59:27)

Administrative Services Director Sasser provided the report. Representatives Rachael Sanders, CEBS, Vice President with Public Agency Retirement Services (PARS) and Andrew Brown, CFA, Director, Senior Portfolio Manager, with PFM Asset Management (PFMAM) presented the annual review of both the Other Post Employment Benefits (OPEB) and Pension Rate Stabilization (PRSP) Trust accounts. Director Jorgens requested the presentation focus on balances and returns to allow more time for comment. A copy of the Client Review was included in the board packet.

As of January 1, 2024, HighMark Capital Management consolidated with PFMAM. No changes were made to the District's investment allocation or with investment advisor Andrew Brown who continues to oversee the investments for the trusts. As of June 30, 2024, the OPEB account balance is \$4.63M. The annualized returns for the OPEB plan since inception are 7.83%. As of June 30, 2024, the Pension Rate Stabilization account balance is \$13.3M. The total returns for the Pension Rate Stabilization plan since inception are 8.53%. Both the OPEB and Pension Rate Stabilization plans have grown significantly from continued contributions, robust investment returns, and lack of disbursements.

Director Jorgens questioned why the District's funds were not invested directly in an S&P 500 index to potentially achieve higher returns. Mr. Brown explained PFMAM is a fiduciary, and as a fiduciary, there is a mandate to diversify assets, especially for managing a pension plan. Mr. Brown emphasized the importance of diversification in investments, acknowledging the S&P 500 as a benchmark but advocating for a broad array of assets to adhere to prudent fiduciary practices. Director Jorgens contended that the trust was not a pension. Mr. Brown acknowledged the distinction between the trust and a traditional pension plan but suggested that there might not be a significant difference. Director Jorgens stated that unlike a pension, the trust has no mandatory outflows and no requirement to make regular payments, allowing for greater discretion in managing funds. Director Jorgens asked if the Board were to direct Mr. Brown to invest in the S&P 500, would that be possible. Mr. Brown responded negatively and stated that PFMAM would not proceed with such an investment strategy.

Mr. Brown encouraged the Board to consider the progress made over the past few years, particularly when developing the investment policy that aligns with the Board's goals. He noted the current allocation is 95% in equities, 4% in fixed income, and 1% in cash. Mr. Brown felt that this allocation was an aggressive strategy. Director Jorgens countered if the portfolio is consistently earning less than the S&P 500, it may not be serving in the best interests of the District. Mr. Brown responded that the recent strong performance of the S&P 500 has been driven primarily by a small group of technology companies. If the Board is interested in a more focused investment strategy, the Board could explore a directed trustee relationship. Director Hasler commented that the S&P 500 performance had a return rate of 24.56% for one year, 10% rate of return for a three-year average and 15.05% rate of return for the last five years compared to District's inception-to-date rate of return of 8.53%. President Roemer opined that the S&P 500 by definition is diversified. He noted that the S&P 500 index regularly updates its list of companies by removing those that have underperformed and adding those that are performing better.

Mr. Brown responded that while the S&P 500 is a diversified index consisting of 500 companies, it is heavily weighted towards seven companies, which make up about 30-33% of the index. He acknowledged that the index provides some exposure to international markets, but it is not considered international equity. The S&P 500 has minimal exposure to real estate and does not include fixed income, which is a component of the District's current investment portfolio. Director Jorgens stated that the S&P 500 comprises roughly 500 of the largest companies in the country. Many of those companies likely have international operations. These companies operate across a variety of industries, making the S&P 500 a compelling investment option. Director Jorgens proposed further research on investment alternatives. Director Danziger asked if the alternative investments would become part of the District's investment policy. Director Jorgens confirmed.

President Roemer asked about the extent of direction that the Board could provide PFMAM without causing them to withdraw as their advisor. Mr. Brown answered if the investment policy statement directed 100% investment in the S&P 500, PFMAM would withdraw from managing the District's investments. Mr. Brown pointed out that a revised investment policy statement has been submitted for review on the next agenda item 10.2. The proposed policy includes a blended benchmark, which would allocate approximately 68-70% of the portfolio to the S&P 500, reflecting a significant but not total exposure. Currently, the District's portfolio has a 57% allocation to the S&P 500.

Director Hasler asked how often the portfolio is rebalanced. Mr. Brown answered that the rebalancing is based on two factors: a change in their investment outlook (worldview) or significant appreciation or depreciation in the portfolio. A rebalancing is also considered if the portfolio deviates by about 1% from the targeted allocation. Director Hasler asked why the returns on the OPEB, and the pension funds differ. Mr. Brown explained that the difference in returns is primarily due to cash flow and timing.

Ms. Sanders shared that the Board could change from the current discretionary route (utilizing PFMAM as the investment manager) to a directed route approach. She explained that PARS has two clients out of 500 that use the directed route approach. Choosing the directed route option would significantly reduce the U.S. Bank trustee fees, although the PARS administrative fees would remain the same. This approach would provide the Board with full discretion over investment decisions. Ms. Sanders offered to provide the Board with more information on this option and the fee schedule. The Board would assume full liability for investment decisions and there is some potential for an increase in costs. Under the current discretionary arrangement with PFMAM there is the benefit from economies of scale, keeping costs relatively low. She shared the experience of an agency that chose the directed route and is considering returning to a discretionary arrangement due to the higher fees charged by their current provider. Ms. Sanders suggested a fee comparison would be an important factor to consider when exploring other investment management options.

Director Jorgens asked about fiduciary responsibility and who would bear the liability using the directed investment route. Ms. Sanders stated that the fiduciary responsibility would fall to the governing body. Director Jorgens sought clarification on the liability. Ms. Sanders explained that if the District were to manage its investments independently, the Board would take on the fiduciary responsibility. Any issues or questions regarding the investments would then fall back on the governing body. Director Jorgens requested exploring alternative investment strategies in greater detail. He requested further analysis and discussion of potential alternatives for the District's investment approach.

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

10.2 Approve Revised Investment Guidelines Document for the Pension Trust and Other Post Employment Benefits Trust. (audio 01:11:15/video 2:24:59)

Administrative Services Director Sasser provided the update. Due to the consolidation of HighMark Capital with PFM Asset Management (PFMAM), the District's investment guidelines need to be updated to reflect PFMAM as the investment manager. Additionally, PFMAM's compliance department reviewed the investment guidelines and recommended modifications to both the asset allocation and the benchmarks. ASD Sasser presented a chart showing the current Asset Allocations and Benchmarks compared to the PFMAM Recommended Asset Allocation and Benchmarks. The chart is attached to these minutes, item 10.2.

Director Jorgens and Director Danziger requested more information about the recommendations. Mr. Brown explained HighMark's strategy focused on the domestic equity allocation involving four asset classes: small-cap, mid-cap, large-cap, and REITs (Real Estate Investment Trusts). PFMAM's approach is simplified and focuses on the Russell 3000 index. He explained that the Russell 3000 index includes about 80-85% large-cap stocks, which are very similar to those in the S&P 500, along with a smaller portion of mid-cap (6-8%) and small-cap stocks (3-4%). This shift to using the Russell 3000 is seen as a more straightforward way of benchmarking the asset allocation for clients. The standard asset allocation under PFMAM does not include emerging markets, which is consistent with the District's updated draft investment policy statement. Mr. Brown noted that returns from the Russell 3000 and the S&P 500 are generally similar over time. However, because small-cap stocks have underperformed compared to large-cap stocks in recent years, the inclusion of small-cap stocks in the Russell 3000 has slightly reduced returns compared to the S&P 500 in the short to medium term (5-10 years). For longer periods, he offered to provide more detailed data.

President Roemer asked if the increase in small-cap investments was based on the expectation that small caps might be poised for a rebound. Mr. Brown responded by outlining both the pros and cons of investing in small caps. He noted that a significant downside is that around 40% of the small-cap index consists of companies that have not generated a profit over the last 12 months. However, he highlighted that small caps are typically more sensitive to changes in interest rates. If interest rates were expected to decline, this could be a reason to increase the allocation to small caps slightly. Currently, their investment strategy only includes a benchmark allocation to small caps, but their outlook on interest rates would likely influence any decision to make an adjustment.

Director Jorgens questioned the rationale behind allocating real estate investment (REITs) to the current investment strategy, given the current challenges in the real estate market. Mr. Brown acknowledged the challenges within the real estate market, particularly in the office sector. He noted other strong categories within the real estate market present more favorable opportunities. Additionally, if interest rates were to decrease, the cash flows generated by REITs could become more attractive to investors, potentially drawing more investment into the sector. Director Hasler questioned why the allocation only added up to 88%. Mr. Brown answered that the remaining 12% is 8% for international investments and 4% for fixed income.

Fire Chief Winnacker stated that due to the consolidation, the District is required to update the policy to reflect the name change in the Investment Manager but is not required to change the other elements that are recommended. The Board could direct Staff to change the names as a result of the consolidation but not change the other elements that were marked up in the marked-up copy that was included in the packet. Director Jorgens asked if an alternative would be to change all things and, at the next meeting, have a discussion on the broader alternatives. ASD Sasser responded that the District needs to have an investment guidelines document in place as long as PFMAM and PARS manage the investments. ASD Sasser recommended that the Board adopt the Investment Guidelines documents in place, and then, as the Board directed, Staff could bring back alternatives to this situation. Director Jorgens asked if the District already had one in place. ASD Sasser answered the Investment Guideline Documents need to be updated to reflect the name change to PFMAM. The name change is the minimum change. Mr.

Brown confirmed that he could continue to manage the investments under the current investment policy statement for another month. He emphasized the need for an update sooner rather than later.

President Roemer favored adopting the recommended asset allocation to provide more flexibility in investment options, with the understanding that more substantive changes could be considered at the next meeting. Fire Chief Winnacker recommended doing the minimum, which is the name change to PFMAM from HighMark, leaving everything else the same, so only a single adjustment is made with regard to the direction provided to our investment professionals. All directors agreed.

Fire Chief Winnacker suggested a motion to adopt as amended, which would be to make the changes from HighMark to PFMAM, not accept the other changes, understanding that per the Board's direction, the adoption would be interim until next month, when the Board would be able to engage in additional discussion with regard to the other recommended changes.

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

Motion by Director Jorgens and seconded by Director Hasler to adopt the amended investment policy, updating the name references from HighMark Capital Management, Inc to PFM Asset Management (PFMAM), reject any other proposed changes understanding that adoption would be interim. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

10.3 Approval of Unrepresented Employees Salary Schedule Effective July 1, 2024. (audio 01:22:29/video 2:36:16)

Administrative Services Director Sasser reported that during the May 15 board meeting, the Board authorized several changes as part of the budget process. These included an increased monthly base salary range for the Fuels Mitigation Manager and Fuels Mitigation Specialist positions and the creation of a new Deputy Fire Chief position with a monthly base salary range 10% higher than that of the Battalion Chief position. These adjustments are reflected in the proposed salary schedule. Staff recommended that the Board approve the updated salary schedule for unrepresented employees, effective July 1, 2024. Director Jorgens asked for clarification on the salary increases. ASD Sasser clarified that the changes involved adjusting the salaries for two specific classifications: the Fuels Mitigation Specialist and the Fuels Mitigation Manager. ASD Sasser confirmed that the adjustments are limited to those positions only. District Counsel Holtzman clarified that the Board's action is specifically to approve an amendment to the unrepresented Employee salary schedule. This amendment applies only to certain positions, as there are other positions within the unrepresented group whose salaries are not changing. ASD Sasser confirmed.

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

Motion by Director Jorgens and seconded by Director Jex to approve an amendment of the Unrepresented Employees Salary Schedule Effective July 1, 2024. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

10.4 Approval of Unrepresented Employee Handbook Authorizing Salary and Benefits for Unrepresented Employees Effective August 22, 2024, to Include Provisions for the New Deputy Fire Chief Position (audio 01:25:01/video 2:38:46)

Administrative Services Director Sasser provided the report. The unrepresented employee handbook has been amended to incorporate the salary and benefits for the newly created Deputy Fire Chief position. By approving the updated handbook, the Board would authorize that the Deputy Fire Chief's overtime pay is at the same rate as that of Battalion Chiefs when covering a Battalion Chief vacancy; the retiree medical and dental insurance benefits are equal to those provided to Battalion Chiefs; a monthly uniform allowance of \$80, consistent with the allowance for Battalion Chiefs; and the provision of a take-home emergency vehicle for official business only. District Counsel Holtzman noted that, aside from the changes related to the Deputy Fire Chief, there were other amendments in the IRS limit. ASD Sasser confirmed two administrative changes mentioned in the staff report (the IRS limit for 457 employee paid contributions and a minor administrative update). Director Danziger asked for clarification on the IRS change. District Counsel Holtzman explained the update aligns the handbook with the new IRS limit and affects only unrepresented employees. Director Danziger and Director Jorgens inquired about the vehicle for the Deputy Fire Chief. Fire Chief Winnacker explained that the Deputy Fire Chief, like the Fire Chief, is on call as an exempt 40-hour employee. The vehicle allows for a direct response to emergencies. Director Danziger inquired about the holiday pay. Fire Chief Winnacker explained that unlike the safety members, the Deputy Fire Chief will have holiday paid time off and will not receive separate holiday pay.

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

Motion by Director Jorgens and seconded by Director Jex to approve the Unrepresented Employee Handbook Authorizing Salary and Benefits for Unrepresented Employees Effective August 22, 2024, to Include Provisions for the New Deputy Fire Chief Position. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

10.5 Adopt Resolution 24-11 Identifying the Terms and Conditions for Fire Department Emergency Response Away From Their Official Duty Station and Assigned to an Emergency Incident (audio 01:33:09/video 2:46:38)

Fire Chief Winnacker provided the report. The new Deputy Fire Chief position has been added to the California Mutual Aid system or CFA seven-party agreement. This inclusion would enable the Deputy Fire Chief to respond to emergencies throughout the state. President Roemer asked if the District would receive reimbursement for the Deputy Fire Chief's pay. Fire Chief Winnacker confirmed, plus a 23% administrative surcharge.

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

Motion by Director Jorgens and seconded by Director Jex to adopt Resolution 24-11 Identifying the Terms and Conditions for Fire Department Emergency Response Away From Their Official Duty Station and Assigned to an Emergency Incident. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

10.6 Authorize the Board President to Execute on Behalf of the District a New Letter of Engagement with Renne Public Law Group for District Counsel Legal Services (audio 01:34:27/video 2:48:29)

At 8:47 p.m., District Counsel Jonathan Holtzman departed the meeting. Fire Chief Winnacker then provided the report. The District has been contracting with Renne Public Law Group for District Counsel legal services since December 2017. The hourly rates were last updated in July 2019 and were in effect until June 2024. The proposed rate increase includes a shift to a blended rate structure, allowing the District to pay different rates based on the type of service provided rather than a single rate for all services. The blended rate is seen as beneficial for the District, as it aligns payment more closely with actual service usage.

Director Hasler asked if there is a historical breakdown available between the hours billed by associates versus partners at Renne Public Law Group. Fire Chief Winnacker responded that a breakdown could be provided. He noted that from 2017 to 2019, the District's use of legal services was minimal, primarily because enforcement activities were in the early development stages. The use of legal counsel has steadily increased over time as the District expanded its enforcement efforts. The proposed rate change to a blended structure is intended to accommodate this anticipated increase in legal services usage.

President Roemer asked whether the Board needed to act on the item tonight because he did not want to make too specific a recommendation to some discussion in our closed session. He thought that the Board was looking forward to a breakdown of the District's legal costs across the board. He stated that it seemed it would be beneficial to the entire Board to have that document before the Board considers this agenda item. Fire Chief Winnacker answered there is nothing other than the District Council's willingness to continue serving as District Council, which he stated he was not suggesting was in question. He confirmed that there was no urgency in deciding tonight. Fire Chief Winnacker confirmed that the information could be provided at a later meeting, other than the fact that it has been a long time since the District has reviewed the fees and that there is an attempt to anticipate future usage. Regarding the Board's interest in legal fees in general, and the specific breakdown of legal fees by the level of lawyer that is providing them, and by the particular case they are assigned to, that is something Staff intends to bring forward at the Board's direction, and should it be the Board's pleasure to delay action on this until that information is received there is nothing to prevent the item from being deferred.

Director Danziger favored approving the new rates, stating that the additional information discussed would not affect the decision to approve the rate increase. Director Hasler agreed. Director Jorgens agreed. President Roemer acknowledged that while he would find it helpful to have a detailed breakdown of legal costs, he was willing to proceed with approval. Director Hasler noted that it has been since 2019 since the last rate increase for legal services. Considering it has been five years, along with the impact of inflation and other economic changes, the proposed rate increase seemed reasonable. Director Hasler also requested to receive a breakdown of the legal costs by staff level (partner and associate rates).

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

Motion by Director Danziger and seconded by Director Jex to authorize the Board President to Execute on Behalf of the District a New Letter of Engagement with Renne Public Law Group for District Counsel Legal Services. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

11. COMMITTEE REPORTS (audio 01:40:51/video 2:54:28)

11.1 Standing Audit Committee (Directors Jex & Hasler). No report.

11.2 Ad Hoc Committee Joint Fire Prevention w/City of Orinda (Directors Jorgens & Roemer).
Future meeting scheduled for August 22, 2024

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

12. REQUESTS FOR ITEMS ON FUTURE AGENDAS (audio 01:41:11/video 2:55:01)

Director Danziger requested an update on the Station 45 remodel, which could be included in the Fire Chief's regular update.

13. ADJOURNMENT

At 8:54 p.m., Director Jorgens motioned and seconded by Director Danziger to adjourn the meeting. The motion carried a 5-0 roll call vote (Ayes: Danziger, Hasler, Jex, Jorgens, and Roemer; Noes: None; Absent: None; Abstain: None).

/s/ Marcia Holbrook
District Secretary/District Clerk

For audio & video recordings of this and other Board meetings, please visit the MOFD District Board Meeting at www.mofd.org/agendas.

From: jonathan@
To: Holbrook, Marcia
Cc: local@bayareanewsgroup.com; jaya@lamorindaweekly.com; editor@theorindanews.com
Subject: MOFD's Unapproved Legal Payments to In-House Firm
Date: Tuesday, August 20, 2024 10:17:27 AM

To: The Moraga-Orinda Fire District Board of Directors
Subject: The CEQA Lawsuit Against Ordinance 23-08 (Case No. N23-2201)
Text of the Petition for Writ of Mandate can be downloaded [HERE](#).

- The MOFD meeting notes for the Board meeting of September 20th, 2023 (where Ordinance 23-08 was approved) contain the following. *"Director Danziger asked if Ordinance 23-08 is similar to other ordinances in other jurisdictions in the State. Mr. Cruse [from Renne Public Law Group] confirmed."* This statement has never been substantiated; to my knowledge, no instances have ever been cited. If this statement is untrue, then it leans towards encouraging the Board to pass this ordinance and submit to litigation under a false pretense.
- On November 15th, 2023, the MOFD Board passed Resolution 23-17 which authorized payment of up to \$95,000 to an outside law firm (Downey Brand) for services concerning the lawsuit pertaining to Ordinance 23-08. To refresh your memories, the resolution reads in part: *"District staff [meaning, Renne Public Law Group] is not available [n]or qualified to perform these services provided by Downey Brand."* The discussion around this resolution, as I recall, did not mention, nor does the resolution drafted by Renne Public Law Group state, that the financial impact of this project upon the District would also involve many tens of thousands of dollars paid to Renne Public Law Group. As of August 19th, 2024, the District's legal bills for this project so far amount to \$129,204.76, just over half of which has been pocketed by Renne Public Law Group. How honest was it to conceal the true financial impact of this legal action upon this fire district by capping the cost of legal fees paid to the outside firm at \$95,000 and not disclosing the other costs (over \$65,000 as of now) which were, de facto, not approved by the Board?
- An examination of court records shows the District's lawyers, during the period of October 25th, 2023 until now, filed a motion to remove the judge from the case, but this was denied because they filed it eleven days past the deadline for doing so, they had two meetings with the judge and plaintiffs' attorneys saying they would like to move the case along, they filed numerous motions for a continuance regarding some sort of response to the plaintiff's petition before the court and have done very little else. In other words, they have nothing substantive to show for their efforts so far, for the cost of close to \$130k, half of which was not approved by the Board.
- Finally here, I would note that the District's legal team has yet to make any serious effort to resolve this case, but if that happens, one might expect the costs to escalate at that point.

My question, Directors, is this, are you being good stewards of the public's finances? Whether or not you are actually being duped by your Renne Public Law Group, is it acceptable to pay so much for so little? Have you considered how much the District would benefit if it were to win this case, if anything at all?

Perhaps you would like to put the public's mind at ease about this and explain, first of all, why this lawsuit is worth pursuing when our fire chief (David Winnacker) had an article published online saying that one of the most contentious items in this ordinance (requiring 100' fuel breaks around properties greater than one acre) would serve no useful purpose, unless these extra fuel breaks were along access roads usable by fire apparatus. ("We Can Do It Better" (Aug. 7, 2023)

<https://www.dailydispatch.com/Columns/GuestColumn/2023/August/We.Can.Do.It.Better.aspx>
)

I will just point out that there are already requirements on the books for vegetation clearance along roads, and no one needs to be concerned about CEQA when complying with existing State Fire Code regulations. So, please enumerate your justifications for funding this lavish, environmentally detrimental and apparently needless lawsuit? What benefits truly outweigh these costs?

I am asking you to show us that you are acting responsibly when spending our money. Please. This should not be too much to ask.

Thank you.
~Jonathan Goodwin,
Canyon, Calif.

From: jonathan@sojourningsoul.net
To: [Holbrook, Marcia](#)
Subject: Comment on Item 9.13 in the August 21, 2024 Board meeting agenda.
Date: Wednesday, August 21, 2024 9:08:51 AM

Approving an expenditure of \$1.5 Million in the Consent Calendar is rather unusual behavior, in my experience. More often, concerning a large amount of money, a governing body would like a word or two about the situation, for example, where is the money coming from? (This detail was not mentioned in your staff report.)

How is it that the project is being managed in such a way that an unforeseen \$1.5 Million is suddenly required? Moreover, now that this large grant is winding up, **where are the financial reports correlating the planning and the spending?**

How can you do any oversight absent such information?

Is financial oversight a matter of concern for you or is it not? Please make yourselves clear on this point.



Moraga-Orinda Fire District
Board of Directors

Finance Report
August 21, 2024

1

Strike Team Reimbursement - OES

- Strike Team Receivable Update:

	Actual <u>2023-2024</u>	Estimated <u>2024-2025</u>
OES Strike Team Receivable	\$717,679	\$170,258
OES Payments Received	\$647,154	\$0
Net Receivable Outstanding	\$ 70,525	\$170,258
- FY2024 – 2 invoices from June and one invoice from Feb are outstanding
- FY2025 – July/August activity

2

Tunnel East Bay Hills - Financial Update

- Tunnel East Bay Hills Financial Update:

Project Budget	\$6,380,563
Invoiced to Cal Fire through 6/30/24	\$2,935,936
Payments Received from Cal Fire	<u>\$2,293,938</u>
Outstanding Receivable – 2Q24 Invoice	\$ 641,998
Expenses Paid but Not yet Invoiced	\$ 877,365
Total Expenses Outstanding	\$1,519,363
- Invoice for 2Q24 was submitted to Cal Fire on 7/30/24
- Total Expenses to date are \$3,813,301 which is 59.8% of Total Budget

3

Treasury Bill Update:

- The District now has \$21,115,000 invested in Treasury Bills
- Treasury bill maturity:
 - \$2,500,000 matures 8/1/24 @ 5.376%
 - \$2,500,000 matures 9/3/24 @ 5.343%
 - \$1,000,000 matures 9/3/24 @ 5.346%
 - \$2,815,000 matures 10/3/24 @ 5.346%
 - \$2,500,000 matures 10/31/24 @ 5.35%
 - \$2,500,000 matures 11/29/24 @ 5.309%
 - \$5,100,000 matures 12/26/24 @ 5.195%
 - \$2,200,000 matures 1/23/25 @ 5.031%
- Staff will project cash flows to determine amount of reinvestment available when treasury bills mature

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Other Items

- \$8 million prepayment for FY25 paid to CCCERA on 7/31/24
- FY24 Audit to take place the week of August 26th

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Moraga-Orinda Fire District
Board of Directors

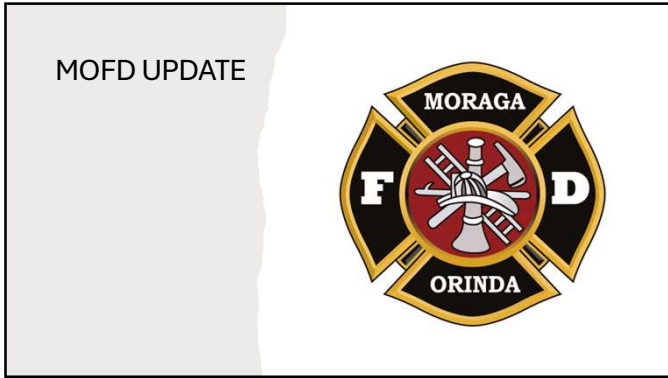
Human Resources Update – August 21, 2024

RECRUITMENT UPDATE

- Battalion Chief – Internal Only
- Office Specialist – Fire Prevention

EMPLOYMENT CHANGES

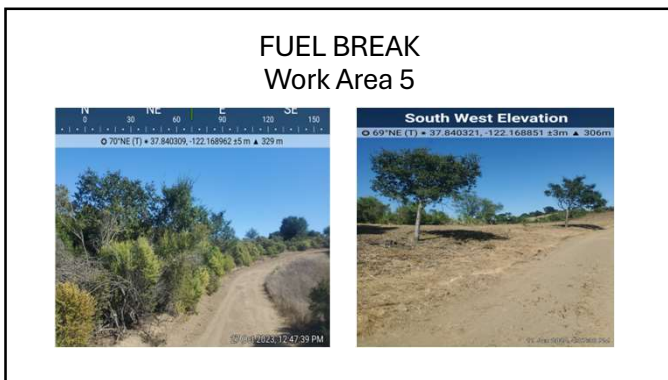
- Employee Separation - Office Specialist, Fire Prevention
- Employee Separation – Firefighter Paramedic
- New Employee – Office Specialist, Emergency Preparedness



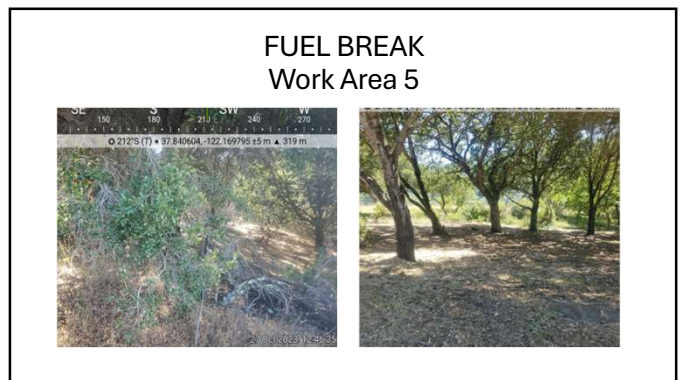
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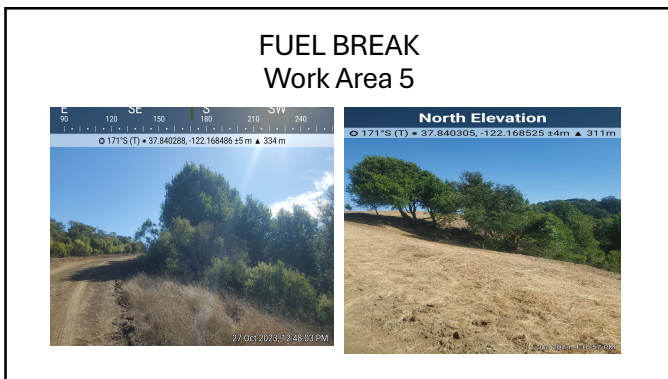
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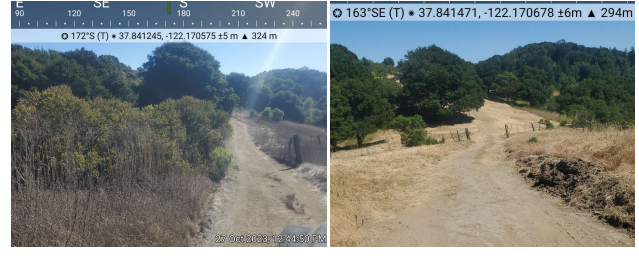


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FUEL BREAK
Work Area 5



FUEL BREAK
Work Area 5



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MOFD Board Update August 21, 2024



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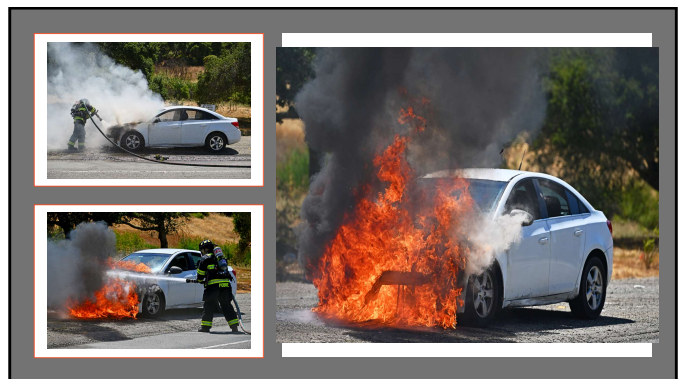
Published August 14th, 2024
MOFD firefighters help out across the state and beyond
 by Sora O'Doherty

• Lake Fire- Santa Barbara County
 • Hill Fire- Humboldt County
 • Park Fire- Butte County
 • Crozier Fire- El Dorado County
 • Borel Fire- Kern County
 • Retreat Fire (Washington)
 • Easy Fire (Washington)
 • Pioneer Fire (Washington)

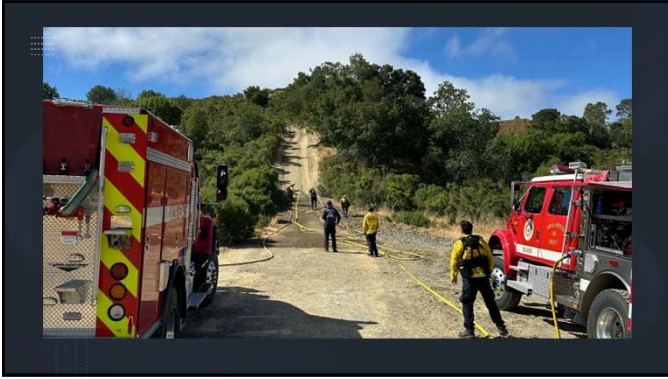
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Moraga-Orinda Fire District Board of Directors

	Current Asset Allocation	Recommended Asset Allocation
Total Equities	85% - 100%	85% - 100% (no change)
Domestic Equity		65% - 100%
Domestic Large Cap Equity	35% - 60%	
Domestic Mid Cap Equity	0% - 20%	
Domestic Small Cap Equity	0% - 25%	
International Equity – Developed International Markets	0% - 15%	0% - 10%
Real Estate Investment Trust	0% - 15%	0% - 12%

Current Benchmark	Recommended Benchmark
S&P 500 Index 55%	Russell 3000 Index 80%
Russell Mid Cap Index 10%	
Russell 2000 Index 15%	
Wilshire REIT Index 7%	MSCI UD REIT Index 7%
Citi 1Mth T Bill 1%	90 Day T-Bill Index 1%