

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

March 21, 2018
(Approved April 18, 2018)

1. Opening Ceremonies

The Board of Directors convened in Open Session at 6:00 P.M. on March 21, 2018 at the Hacienda Mosaic Room, Moraga, California. President Barber called the meeting to order. Present were the following Directors and Staff:

President Barber	Director Jex	Gloriann Sasser, Admin Services Director
Director Anderson	Director Jorgens	John Truxaw, District Counsel
Director Famulener	Dave Winnacker, Fire Chief	Patricia Edwards, Interim District Clerk

2. Public Comment

There was no comment from the public.

3. Closed Session

At 6:00 P.M., the Board adjourned into Closed Session. Present were the following Directors and Staff:

President Barber	Director Jex	Gloriann Sasser, Admin Services Director
Director Anderson	Director Jorgens	John Truxaw, District Counsel
Director Famulener	Dave Winnacker, Fire Chief	

4. Reconvene the Meeting

President Barber reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 7:03 P.M. Present were the following Directors and Staff:

President Barber	Director Jex	Gloriann Sasser, Admin Services Director
Director Anderson	Director Jorgens	John Truxaw, District Counsel
Director Famulener	Dave Winnacker, Fire Chief	Patricia Edwards, Interim District Clerk

5. Report of Closed Session Action

President Barber reported that there was no reportable action taken on items: 3.1 Conference with Labor Negotiator (Local 1230); 3.2 Conference with Labor Negotiator (Local 2700); 3.3 Conference with Labor Negotiator (MOFCOA); and 3.4 Public Employee Performance Evaluation (Fire Chief).

6. Public Comment

There was no comment from the public

7. Consent Agenda

Motion by Director Famulener and seconded by Director Jorgens to approve and file items: 7.1 Monthly Meeting Minutes for February 21 and March 7, 2018, 7.2 Monthly Incident Report for February 2018; 7.3 Monthly Check Voucher/Register; 7.4 Monthly Financial Report; 7.5 Approval of Contract with Delta Dental of California for the Period April 1, 2018 through March 31, 2019; and 7.6 Approval of Letter of Engagement of Legal Services, Labor Negotiations with Sloan Sakai Yeung & Wong LLP. Said motion carried a unanimous 5-0 roll call vote (Ayes: Anderson, Barber, Famulener, Jex, and Jorgens).

8. Regular Agenda

8.1 Mid-Year Budget Review 2017/18 and Approval of Budget Adjustments

Administrative Services Director Sasser provided the report. The review included a detailed examination of revenue and expenditures. Current financial reports contain updated revenue and expenditure projections for the current fiscal year. The adopted budget projected a General Fund surplus of \$500,000, a Debt Service Fund surplus of \$218,000 and a Capital Projects Fund deficit of \$4.4 million due to the construction of Station 43. The Mid-Year Budget Review projects a General Fund surplus of \$361,000, a Debt Service Fund surplus of \$215,000, and a Capital Projects Fund deficit of \$1.6 million for FY 2017/18. Increases in revenues over expenditures were noted for: property tax revenue in the General Fund is \$772,000 or 4.1% more than the amount received in the prior year (\$18.9 million); Ambulance service revenue is expected to exceed budget by \$19,000;

Strike team cost recovery is projected to exceed budget by \$470,000; and the District accepted \$202,000 in SAFER grant revenue. The SAFER grant revenue is included in Intergovernmental Revenue. Total District General Fund expenditures for FY 2017/18 are projected to exceed budget by \$881,000 or 4.1%. The Mid-Year General Fund Budget increase requests total \$742,000.

General Fund expenditures increases for fiscal year 2017/18 are projected to exceed budget by \$881,000 or 4.1%. This is the result of: overtime due to increase in workers' compensation leave; Strike Team overtime; retirement contributions due to the hiring of two firefighter paramedics (SAFER grant); an additional OPEB contribution; an increased contribution to the pension rate stabilization trust; and additional operating expenses (four recruits in the fire academy; repair costs for aging fleet, and legal costs); additional safety clothing for the four recruits; and reestablishing the CERT program funding. The Mid-Year General Fund operating expenses increase requests total \$204,000.

Staff recommends that the General Fund revenue budget adjustment be increased by \$742,000 and expenditures increased by \$881,000. If the recommended budget adjustments are adopted, the General Fund budget would reflect revenue of \$22.5 million and expenditures of \$22.2 million resulting in a \$361,000 surplus. The District started the year with \$4.9 million in unrestricted fund balance. Based on the revised projections, the unrestricted General Fund balance on June 30, 2018 will be \$5.3 million which is 23% of budgeted General Fund revenue. Ms. Sasser noted that this does not meet the Board's 50% goal which was set at the March 15, 2018 Board meeting.

The District's unfunded OPEB liability at June 30, 2017 was \$16.2 million. This figure will be updated in the fall. As of January 31, 2018, the current OPEB trust account balance is \$809,000 in restricted fund balance in the General Fund. The balance in the District's pension rate stabilization trust is \$622,000 in restricted fund balance in the General Fund.

The Capital Projects Fund began the fiscal year with a projected deficit of \$4.4 million. The deficit was planned due to the construction of Station 43 which has been delayed. The revised projected deficit is \$1.6 million. Fire flow tax revenue met the budget (\$1.1 million). The Capital Projects Fund expenditures are projected to be within budget and no Capital Projects Fund expenditure budget adjustments are recommended. When the Station 43 construction contract is presented, staff will bring proposed budget adjustments to the Board for consideration.

The Debt Service Fund Budget projected a surplus of \$218,000 and no budget adjustments are recommended. For the 2018/19 budget preparation process, employees will receive a 1% salary increase on June 1, 2018. CCCERA rates for 2018/19 were set by the retirement board in August 2017. The actual rates set by CCCERA are 0.42% higher than last years' rates. A balanced General Fund budget is expected for FY2018/19. Staff recommended the following Mid-Year budget adjustments: General Fund Revenue Budget increase request of \$741,754; General Fund expenditure Budget increase of \$880,869; and Capital Projects Fund Revenue Budget decrease of \$93,276.

Director Jorgens asked when the projections were prepared. Ms. Sasser said that they were done in December and updated in January and February. Director Anderson questioned the Pension Rate Stabilization Trust balance of \$622,000. Ms. Sasser noted that it does not include the \$94,000 additional contribution to be paid in March 2018 after Board approval. In response to Director Jorgens question, Ms. Sasser stated that the \$133,380 Buildings/Station #43 expenditure does not include the prior year's expenses. Director Jorgens also questioned the status of 2017-18 budget cuts. Ms. Sasser stated that the 2017-18 General Fund budget included all of the cuts. Chief Winnacker stated that the Fire Contingency Fund is used if needed. He will research and determine if all of the required cuts were incorporated into the budget. Director Jex asked what triggers transfers from the Capital Project Fund into the Debt Service Fund. Ms. Sasser responded that the transfers are done as needed for debt service.

President Barber opened the item for public comment. Vince Wells, President of Local 1230, asked if the deficits were real or if there is money in the reserves. Ms. Sasser stated that the District issued debt to pay for station 43. Some of the funds are there based on the original cost estimate. The current cost for Station 43 is greater than the amount of debt which was issued so the District will need to use some cash to complete the fire station construction out of the Capital Fund reserve.

Director Famulener's motion to: approve an increase in the General Fund revenue budget in the amount of \$741,754; approve an increase in General Fund expenditure appropriations in the amount of \$880,869; and approve a decrease in the Capital Projects Fund revenue budget in the amount of \$93,276 was seconded by Director Anderson. Said motion carried a unanimous 5-0 roll call vote (Ayes: Anderson, Barber, Famulener, Jex, and Jorgens).

8.2 Authorization to Contract with Definitive Networks, Inc. for Information Technology Services for the period July 1, 2018 through June 30, 2020

Administrative Services Director Sasser provided the report. A Request for Proposal (RFP) was sent to 37 information technology vendors and posted to the District website. The RFP was for a three-year period with a two-year option. The original contract which was awarded to Definitive Network, Inc. (DNI) and expires on June 30, 2018. Staff recommends that the two-year optional extension be awarded to DNI. Director Anderson asked when the District will need to replace its computers. Ms. Sasser stated that the computers are inventoried and replacement costs are included in the 2018-19 Operating Budget under Information Technology (IT). Director Jex asked if the Board can expect to require outside services after the two-year extension. Ms. Sasser responded that the District's Purchasing Ordinance requires that service contracts go out to bid. Director Anderson stated that the current contract is a good deal for the District. Chief Winnacker added that there is a degree of complexity and specificity for this tech work that the District could not justify to set up its own IT Department. Director Jorgens asked about the cost of the contract. Ms. Sasser stated that the contract increases approximately 3% per year. Director Jorgens suggested that technology has changed and asked if there were less expensive options. Chief Winnacker stated that DNI was the only bidder in 2015 and that the District's need for 24/7 support limits the number of bidders. Director Jorgens asked if all the District's computers needed to be 24/7 and if there are ways for the District to decrease costs. Director Anderson stated that the Mandatory Service Level Agreements make this contract worth it.

President Barber opened the item for public comment. There was no public comment. Director Jex's motion to authorize a contract with DNI for the period July 1, 2018 through June 30, 2020 in an amount not to exceed \$365,580 was seconded by Director Famulener. Said motion carried a unanimous 5-0 roll call vote (Ayes: Anderson, Barber, Famulener, Jex, and Jorgens).

8.3 Review of Apparatus and Equipment

Chief Winnacker provided the report. Director Famulener asked if the reports had been through the Operations Committee and Apparatus Committee. Chief Winnacker responded that they had. Director Anderson requested clarification on Type III versus Type VI engines. Chief Winnacker explained that Type VI engines are agile, carry 150-300 gallons of water, and are on a small light duty chassis. Type III engines carry 500 gallons of water, have a larger pump, more compartment space, and are based on a medium duty chassis. They are capable of more fire-fighting but are less agile. Type VI would be able to access the local bridges but a Type III engine would not be able to access approximately 30% of the bridges. Director Jorgens asked if the Board was approving the purchase. Chief Winnacker said that the specific qualifications have not been established and will be determined through Operations and Apparatus Committees. Director Famulener asked about the rescue boat. Chief Winnacker stated that specific qualifications are required to operate a rescue boat. He noted that training is extensive and would have to be conducted out of the District. President Barber asked if the District has received any rescue boat calls. Chief Winnacker responded that one call was received from the Cal Women's Rowing Team in Briones and there were two additional calls outside the MOFD. President Barber opened the item for public comment. There was no public comment.

9. Committee Reports

9.1 Finance Committee (Directors Anderson and Jorgens)

The Committee has not met.

9.2 Pension Review Ad Hoc Committee (Directors Barber and Jorgens)

The Committee has not met.

9.3 Board of Directors and Fire Chief Roles & Responsibilities and Rules of Procedures Update Ad Hoc Committee (Directors Famulener and Jorgens)

The Committee has not met.

9.4 Audit Ad Hoc Committee (Director Jex)

The Committee has not met.

9.5 Long Range Financial Plan Ad Hoc Committee (Directors Barber and Jex)

The Board conducted a Public Workshop on March 15, 2018.

9.6 Labor Negotiations Ad Hoc Committee (Directors Anderson and Jorgens)

The Committee has not met but made phone calls to Jeff Sloan (Agency Designated Representative).

10. Announcements

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

Director Famulener reported that she and Chief Winnacker attended the County Fire Boards and Commissioners Association meeting on March 8, 2018. MOFD Retired Fire Chief Healy gave a presentation on how he brought the District's ISO rating to 2.

10.2 Questions and informational comments from Board members and Staff

There was nothing to report.

10.3 Fire Chief Updates – February 2018

10.3.1 Monthly Update by Captain Brian Oliver

Captain Oliver provided a report titled "MOFD An All-Service Public Agency". There are thirteen members of the MOFD who have graduated from local high schools. A significant amount of training was recently provided on the Tiller engine which can access areas which cannot be reached by a truck platform. Captain Oliver explained the importance of the Low Angle Rope Rescue Training which will get victims up a hillside and help firefighters avoid injuries. He added that they practiced with a two-hundred-pound mannequin. The practice techniques were recently utilized in a local rescue effort. He reported on recent notable incidents. Cal Fire hand crews assisted with Fuel Reduction Projects on Bear Ridge in Orinda and he showed before and after views of the area. Director Anderson asked about the training activities in steep areas. Captain Oliver discussed the options. One truck company typically responds to a structure fire. Two truck companies would respond to a commercial fire. A Tiller engine has more ladders, tools, people, and a larger jaws of life and can articulate and get into more places. It also has more power in its water stream to pierce the fire and cool it faster. It would not be used for a grass fire.

The Board thanked Captain Oliver for his presentation.

10.4 Communications Received

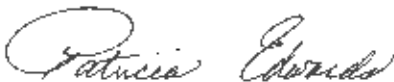
There was nothing to report.

10.5 Future Agenda Items

Director Famulener asked for a closed Session to review Board rules regarding when attorney fees can be charged to MOFD.

11. Adjournment

At 8:04 P.M., President Barber called for adjournment of the regular meeting.



Interim District Secretary/Clerk