



# Moraga-Orinda Fire District

## Board of Directors

### REGULAR MEETING

December 5, 2018

**6:00 p.m. CLOSED SESSION**

**7:00 p.m. OPEN SESSION**

**PLEASE NOTE NEW MEETING ADDRESS:**

Orinda Community Center

Room 7

28 Orinda Way

Orinda, CA 94563

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### NOTICE OF TELECONFERENCED MEETING

Pursuant to Government Code Section 54953, Subdivision (b), this meeting will include teleconference participation by

**Board Member John Jex**

**Marriott's Manor Club at Ford's Colony**

**101 St Andrews Drive**

**Williamsburg, VA 23188**

This Notice and Agenda will be posted at the teleconference location. Public comment on the agenda from this address shall be allowed pursuant to Government Code Section 54954.3.

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#### 1. OPENING CEREMONIES

- 1.1. Call the Meeting to Order
- 1.2. Roll Call

#### 2. PUBLIC COMMENT

The public is invited to speak on any Closed Session item below. 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: Jeff Sloan

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

##### 3.2. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Jeff Sloan

Employee Organization: Moraga-Orinda Fire Chief Officers Association (MOFCOA)

##### 3.3. **Public Employee Performance Evaluation**

(Government Code Section 54957)

Public Employee Appointment Title: Fire Chief

##### 3.4. **Conference with Legal Counsel – Existing Litigation**

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

Pacific-Mountain Contractors of California, Inc. v. Moraga-Orinda Fire District, Contra Costa County Superior Court C18-02124

#### 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 7, 2018**  
Staff Recommendation: Approve and File
- 7.2. **Monthly Incident Report for October 2018**  
Staff Recommendation: Approve and File
- 7.3. **Monthly Check/Voucher Register**  
Staff Recommendation: Approve and File
- 7.4. **Monthly Financial Reports**  
Staff Recommendation: Approve and File
- 7.5. **Surplus Equipment**  
Staff Recommendation: Declare the 2000 Spartan Fire Truck surplus and authorize staff to dispose of the surplus item

8. REGULAR AGENDA

- 8.1. **Review of Standing and Ad Hoc Committees**  
Review and discuss maintaining, adding or dissolving Standing and Ad Hoc Committees.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Approve and/or Dissolve Standing and Ad Hoc Committees for 2019
- 8.2. **Election of Board Officers and Appointment of Standing and Ad Hoc Committee Members and District Liaisons**  
The Board of Directors will elect new Board Officers and appoint Standing and Ad Hoc Committee members and District Liaisons to be effective immediately  
Staff Recommendation: 1) Discuss; 2) Elect Board Officers, Standing and Ad Hoc Committee members and District liaisons to be effective immediately
- 8.3. **2019 Regular Board Meeting Schedule**  
Staff will present the 2019 Regular Board Meeting Schedule to the Board for review.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Approve a 2019 Regular Board Meeting Schedule
- 8.4. **Approval of One Month Extension of District's Payment of Enhanced Medical Insurance Contribution Rates**  
Staff will present information to the Board regarding approval of a one-month extension of District's payment of Enhanced Medical Insurance Contribution Rates.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Approve One Month Extension of District's Payment of Enhanced Medical Insurance Contribution Rates
- 8.5. **Annual Audit and Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018**  
Staff will present information to the Board regarding the Annual Audit and Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.  
Staff Recommendation: 1) Approve the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018, the Independent Accountant's Report on Applying Agreed-Upon Procedures for Appropriations Limit Calculation for the Year Ended June 30, 2018 and the Communication With Those Charged With Governance June 30, 2018
- 8.6. **State Homeland Security Grant Acceptance**  
Staff will present information on the State Homeland Security Grant to provide iPads for District apparatus.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Provide approval to accept the State Homeland Security Grant and authorize staff to execute the Memorandum of Understanding with Contra Costa County Fire Protection District
- 8.7. **Moraga-Orinda Fire Protection District Public Facilities Financing Corporation Staffing and Appropriateness**  
Staff will present information on the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation Staffing and Appropriateness.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Provide Direction to Staff Regarding the Financing Corporation Staffing and Appropriateness

8.8. **Moraga Way Evacuation Exercise**

Staff will present information regarding the Moraga Way evacuation exercise.

Staff Recommendation: 1) No action required; Information only

9. ANNOUNCEMENTS

9.1. **Fire Chief Update**

10. 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 November 30, 2018, 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.



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Grace Santos, District Clerk

# Moraga-Orinda Fire Protection District



## BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

November 7, 2018

### 1. Opening Ceremonies

The Board of Directors convened in Open Session at 6:00 P.M. on November 7, 2018 at the Hacienda Mosaic Room, 2100 Donald Drive, Moraga, California. President Barber called the meeting to order. Present were the following Directors and Staff:

Director Anderson	Director Jex	Jonathan Holtzman, District Counsel
Director Barber	Director Jorgens	Jeff Sloan, District Counsel
Director Famulener	Dave Winnacker, Fire Chief	Gloriann Sasser, Admin Services Director

### 2. Public Comment

There was no comment from the public.

### 3. Closed Session

At 6:00 P.M., the Board adjourned into Closed Session.

### 4. Reconvene the Meeting

President Barber reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 7:04 P.M. Present were the following Directors and Staff:

Director Anderson	Director Jorgens	Gloriann Sasser, Admin Services Director
Director Barber	Dave Winnacker, Fire Chief	Grace Santos, District Clerks
Director Famulener	Jonathan Holtzman, District Counsel	
Director Jex	Jeff Sloan, District Counsel	

### 5. Report of Closed Session Action

There was no reportable action taken in Closed Session.

### 6. Public Comment

Jonathan Goodwin, Canyon resident, bid farewell to retiring Board members Anderson, Barber and Famulener and commented on Chief Winnacker's first year as Chief. He suggested that the Board and Chief Winnacker work together to review the Brown Act and define the roles and responsibilities of the Fire Chief and the Board.

### 7. Consent Agenda

Director Jorgens asked to pull Item 7.1 Meeting Minutes and discuss separately.

Motion by Director Famulener and seconded by Director Anderson to approve and file item 7.2 Monthly Incident Report, 7.3 Monthly Check/Voucher Register, 7.4 Monthly Financial Reports, 7.5 Quarterly Treasurer's Report, 7.6 Quarterly Ambulance Billing Report, and 7.7 Quarterly Ambulance Billing Report. Said motion carried a 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex and Jorgens; Noes: None).

Director Jorgens stated that he preferred to have a verbatim transcription of item 8.4 contained in the October 3, 2018 Board Meeting Minutes, instead of paraphrased. District Clerk Santos suggested that the Board approve and file the October 3, 2018 meeting minutes to include the amendment of Item 8.4 as directed by Director Jorgens and post on the District's website when complete.

Motion by Director Jorgens and seconded by Director Famulener to approve and file item 7.1 Meeting Minutes. Said motion carried a 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex and Jorgens; Noes: None).

### 8. Regular Agenda

#### 8.1 Draft GASB 75 OPEB Valuation Report as of June 30, 2018 and Approval of OPEB Funding Policy

The District provides retiree health insurance benefits to employees. Government Accounting Standards Board Statement No. 75 requires the District to complete an actuarial valuation of the other post-



employment benefits (OPEB) plan. As a result, the District contracted with GovInvest to complete an actuarial report calculating the long-term cost associated with the District's OPEB plan.

A draft GASB 75 OPEB Valuation Report as of June 30, 2018 was presented to the Board on October 3, 2018. No changes to the report were directed.

Jonathan Goodwin, Canyon resident, commented on how the report is difficult for the public to read and criticized the accessibility of the report to the community. He stated that the report did not provide answers to simple questions, and only confuse those who are not skilled and possess the wisdom of the financial terminology. Mr. Goodwin asked if staff would summarize the report in simple terms and post on the website.

President Barber agreed with Mr. Goodwin's comment and suggested making documents written in technical terms understandable for the public and community. However, he understands that some of the technical terms have legal consequences and is written to avoid litigation.

Chief Winnacker stated that some of the technical terms have meaning and to create a "lay" version would involve opinions and decisions over which words to use. Using technical terms and following the accepted accounting principles in the current form protects staff from having to take a personal opinion about the District's position. It would be very challenging and subject to interpretation.

Director Jorgens suggested asking the outside consultant to prepare a summary in their words, which releases the District from any liability. President Barber agreed and directed staff to contact the District's consultant to discuss preparing a summary that is easier to read.

Director Jex commented that page 43, item 10 of the CAFR includes a footnote disclosure that provides most of the information needed, answers many issues in the document, and is used to produce and summarize the accounting.

Motion by Director Jorgens and seconded by Director Famulener to approve the GASB 75 OPEB Valuation Report as of June 30, 2018 and OPEB Funding Policy. Said motion carried a 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex and Jorgens; Noes: None).

## **8.2 Annual Audit and Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018**

Each year the District engages a certified public accountant to audit the financial statements of the District. The District's Administrative Services Division prepared the financial statements for the fiscal year ending June 30, 2018. The financial statements have been audited by Vavrinek, Trine, Day & Co., LLP (VTD.) In addition to the financial statement audit, VTD was engaged to prepare a required report on the District's Gann appropriations spending limit calculation and a letter to the Board required by professional accounting standards discussing their audit engagement and the procedures they performed. This report includes no audit findings.

Based upon the audit procedures performed, VTD has rendered their opinion that the District's financial statements present fairly the District's financial position at June 30, 2018, and the results of the governmental activities and the budgetary comparison information for the year then ended, in accordance with generally accepted accounting principles. This is generally referred to as a "clean" or "unqualified" audit opinion.

In addition to the audited financial statements, the District prepared a Comprehensive Annual Financial Report (CAFR) that is designed to meet the requirements of the Government Finance Officers Association (GFOA). The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The GFOA then recognizes individual governments that succeed in achieving this goal. This is the fourth year the District has participated in the CAFR Program.

The District's CAFR for the fiscal year ended June 30, 2018 will be submitted to the GFOA for consideration of a Certificate of Achievement for Excellence in Financial Reporting. The CAFR will also

be posted on the District's website. The CAFR was reviewed by the Audit Ad Hoc Committee in October 2018.

ASD Sasser gave a brief PowerPoint presentation. Ahmad Gharaibeh reviewed the CAFR and answered questions from the Board.

Director Jorgens stated that the Board directed staff to use a discount rate of 6.25% for both the pension and OPEB liabilities. The CAFR is the District's financial statement and the discount rate of 6.25% should be reflected in the report, or at least in the footnote.

ASD Sasser stated that CCCERA's rate is 7%. Chief Winnacker stated that the number is provided by CCCERA, and is used in their calculations.

Director Jorgens stated that the District purchased a model (two years ago) that allows it to do that. He directed staff to include a footnote referencing the difference between the numbers provided by CCCERA and the District's assumption upon rate of return. He also asked staff to include the gross pension liabilities in the footnotes.

Director Jex commented that the information presented in the footnotes of the financial statements must agree with the information presented in the financial statements, and suggested adding it to the unaudited section of the financial statements.

Director Jorgens asked staff to include calculations between the gross liability and the District's proportionate share, and show the District's proportionate share of assets. He directed staff to do so and include in the footnotes.

Director Jex reported that the audit committee meet a few times during the year. He commented on two issues of concern to him. The first was an issue regarding the balance of the Station 43 Construction in Progress. The committee reviewed the issue and made a determination that it was not an asset but instead was a balance that remained on the books. An amount of \$689,733 was written-off and an adjustment was made during the audit. Director Jex also commented on the Long Range Forecast for the next three years. After making adjustments for the new labor contracts, the general fund balance in the next three years would drop down to \$1,917,000 and the Capital Fund balance would drop from \$8M to \$2.9M, which will put the District down to 6.5%. Director Jex commented on the importance of having 50% to fund the first six months of the year without having to borrow from the Teeter Plan. The forecast shows that the District will have less than a month's cash to cover its operating needs. He suggested doing an independent review to determine if the assumptions and rationale are appropriate. Director Jex stated that the District has inadequate cash balance to cover current operations and feels that it is on the verge of bankruptcy. He discussed adding additional disclosure and a comment in the forepart of the financial statements that highlights his going concern situation that if things turn out to be as reflected, without action taken by future boards in terms of the needed funds, a reduction in services or other activities may have to be curtailed in order to remain solvent.

Mr. Gharaibeh stated that he would look into the assumptions and forecasts and add an additional paragraph in the forepart of the financial statements.

Director Jorgens commented on the other revenues section on page 7 and asked why certain numbers were lumped together when others were broken out, and stated that he would like to see more details regarding other revenue. He commented on the use of the terms "total assets" and "total liabilities", that deferred inflows and outflows were not included in the total assets or liabilities, and suggested adding a footnote to explain. Director Jorgens asked to include the amortization period of deferred outflows and inflows, additional clarification, and an amortization period of 5 years.

Mr. Gharaibeh clarified and stated that it is intentional and the accounting standards do not want it included in the liabilities or asset sections. They are timing differences, fluxes in the pensions due to fluxes in the investment market and do not recognize everything all at once for smoothing purposes. They are changes in assumptions and regulated by the accounting standards so that everyone is comparable in the manner that they report financial statements. Mr. Gharaibeh stated that the District has an award-winning CAFR reviewed by separate agencies in compliance with the accounting and reporting standards. He could add more clarification on the source of the deferred inflows and outflows to help non-finance people understand.

Director Jorgens directed staff to make the changes and stated that the Board had to approve the CAFR, not just receive it.

ASD Sasser stated that staff would make the requested changes to the CAFR for presentation at the next meeting for the Board to approve.

### **8.3 Approval of FY2019 General Fund Expenditure Budget Adjustment**

On October 3, 2018, the Board approved a Memorandum of Understanding (MOU) between the District and United Professional Fire Fighters of Contra Costa County I.A.F.F. Local 1230, AFLCIO for the period July 1, 2018 – June 30, 2021. The MOU included wage and benefit increases that were not included in the FY2019 Annual Operating Budget (Budget).

Negotiations were ongoing during development of the Budget and the Budget included no appropriations for increased employee costs. As a result, a General Fund Budget Adjustment is necessary. The Budget includes a General Fund surplus of \$171,021. Staff identified four options for Board direction and requested board direction regarding a General Fund expenditure budget adjustment.

Director Jex stated that he is opposed to charging against the general fund reserve and felt that it would be more appropriate to do so during the mid-year budget review process.

Motion by Director Jorgens and seconded by Director Famulener to increase General Fund expenditure appropriations \$754,206 and maintain all other General Fund expenditure appropriations at the same amounts. This will result in a General Fund budgeted deficit of (\$583,185). Said motion carried a 4-1 roll-call vote (Ayes: Barber, Famulener, Jex, Jorgens; Noes: Anderson).

### **8.4 Exterior Hazard Inspection Follow-Up – No Staff Report**

Chief Winnacker gave an oral report on the Exterior Hazard Inspections. The total number of inspections conducted throughout the year was 187, which include 77 red tag complaints; 60 30-day notices; 24 red tags (that were not a result of a complaint); 19 no-hazard complaints; and 7 verbal warnings.

Five inspections were not associated with either a complaint or a targeted area such as the evacuation routes on Moraga Way, Moraga Road and Miner Road. Of the five, it was determined that one was an incorrectly filed verbal complaint and the homeowner had the work done and was appropriate. Another inspection indicated that one of the dismissed aides asked a property owner to remove a bush. There were no political signs or other indications that the property owner was involved in local elections. Chief Winnacker spoke to the homeowner who assured him that it was not an issue. The remaining three inspections were in the Sanders Ranch area. Chief Winnacker spoke to the homeowners, informed them of the error and they assured him that it was not an issue.

Additional control measures are now in place for the oversight and review of inspections to ensure that alignment between the complaints received or direction given before being recorded. To ensure inspections are appropriate, staff now performs a daily review of inspection activities and conducts a weekly and monthly review of the information entered into the database. Chief Winnacker is confident that the inspection program is operating under appropriate oversight and that no additional inspections are unaccounted for or should not have occurred.

Director Jorgens stated that all items on the agenda should include a written staff report.

Jonathan Goodwin, Canyon resident, inquired about the lack of a staff report in the published packet.

Chief Winnacker explained that at the October 3, 2018 meeting, there was not enough time to produce a staff report to include in published packet. For this meeting, Chief Winnacker stated he considers this item to be a Fire Chief Update, which he does not traditionally produce staff reports for.

President Barber stated that the meeting minutes would include Chief Winnacker's report on this item.

### **8.5 Approval of One Month Extension of District's Payment of Enhanced Medical Insurance Contribution Rates**

The District is currently in negotiations in pursuit of successor Memoranda of Understanding with AFSCME Local 2700 and the Moraga Orinda Fire Chief Officers Association (MOFCOA). In 2016, the

District entered into side letters of agreement with the employee organizations to provide enhanced medical insurance contributions. The side letters provided that on June 30, 2018, the enhanced medical insurance contributions "shall revert" to the previous lower contribution levels.

Previously the board approved extensions of the enhanced medical insurance contributions through November 30, 2018. In light of the status of negotiations, an extension of the enhanced medical insurance contributions for one additional month, through December 31, 2018 is appropriate. The terms of the side letter between the parties remain in full force and effect.

The approximate additional cost is \$1,900 and sufficient appropriations are available in the 2018/2019 Annual Operating Budget.

Motion by Director Famulener and seconded by Director Anderson to approve a one-month extension of District's payment of Enhanced Medical Insurance Contribution Rates. Said motion carried a 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex, Jorgens; Noes: None).

President Barber called for a five-minute recess at 8:25 P.M.

President Barber reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 8:29 P.M.

**8.6 Consideration of and Authorization to Proceed With Real Estate Negotiations by the Fire Chief Regarding Potential Acquisition of the Real Properties Located at Moraga Way, Orinda CA 94563 and 1010 Camino Pablo, Moraga CA 94556**

Chief Winnacker stated that the District's Strategic Facilities Plan, written in 2011, calls for rebuilding of Station 41. He is seeking the Board's interest in the pursuit of moving Station 41 to another location and how he should proceed (i.e., holding special meetings, workshops, forming subcommittees, etc.). No staff report was included because Chief Winnacker only seeks the Board's guidance on the process, if there is any interest in pursuing, and if so, what format the Board would like to take to proceed.

Director Anderson suggested opening the process up to the public and having several workshops.

President Barber read a letter from Mr. and Mrs. Pete Wilson, who wrote that they applaud a fresh look of current buildings efficacy and proposal for change, but that change needs more information than currently available. They asked for assurance that the proposal will not negatively affect delivery of the services that MOFD provides, and instead improves them. They suggested the District thoroughly examine short and long-term benefits to operations and public services, without financial considerations, provide statement using financial best estimates of cost/benefit ratio, and doing a feasibility study of costs and property acquisition. Consider providing the public opportunities to weigh in on proposals (other than at board meetings), holding at least two heavily publicized public meetings, and mail/email information to residents so they can learn and comment. Mr. and Mrs. Wilson support the District's exploration of the proposal and urged the Board to authorize Chief Winnacker to further explore all necessary elements to determine which will benefit both the public and the District.

Richard Olsen, Moraga resident, former Chair of the MOFD Ad Hoc Facilities Committee, commented on why he felt this study to be appropriate. The committee conducted an extensive study of the condition of MOFD's facilities and its future facility needs and on March 16, 2011, they published a report, which was adopted by the Board on April 6, 2011. The committee recommended an extensive rebuild of Station 41 and included their concern on the impact of the Moraga Center Specific Plan on MOFD, which at the time, they were not aware that town homes would be built up against the District's Station 41, Administration building and training grounds. Mr. Olsen commented that rebuilding Station 41 would no longer be practical, and a new site for Station 41 and the training grounds are both required. He urged the Board to seriously consider exploring its options to dispose of the current site of Station 41, the Administration Building and training grounds and begin the process to evaluate alternative site(s).

Jonathan Goodwin, Canyon resident, stated that careful planning is necessary, that the manner in which the issue is communicated to the public is important to its success, and hopes that many people in the community are consulted.

Director Jorgens suggested thinking globally in planning and consider the station locations, how services should be delivered, then producing a plan that includes timing and budget.

Director Jex commented on the financial implications and suggested producing financial models before proceeding.

Director Anderson commented on the alternative of maintaining the current fire station, adding a conference room and training center in the back, utilizing areas within the District to conduct training or other sites such as Contra Costa County Fire's or San Ramon Valley Fire's training grounds.

Chief Winnacker stated that while other sites are available for training, it cannot be done with on-duty crew members because they need to be available to respond to District emergencies. Using off-site facilities would incur overtime costs and dramatically increase the training budget. Any training done on a normal basis that does not incur overtime costs needs to be inside the District boundaries so that a substantial portion of the response force is not taken out of the District where it is unable to respond. While there are options outside of the District, it comes with either a price tag, overtime, or a response penalty to bring personnel back in the event of a required response.

Director Jorgens stated that facility rental, transportation and overtime costs should be considered and compared to the capital costs of building a new training facility.

Chief Winnacker stated that there would be essentially no cost to constructing its own training site.

Chief Winnacker asked if the Board is interested in pursuing the issue, and if so, what format they would like to take for public input.

Chief Winnacker asked for the authority to have a discussion with property owners regarding the possibility of a parcel swap or acquisition.

Director Jorgens commented on the study and plan being seven years old and stated that the plan may need to be updated. There are a lot of things that he wants to understand before the District begins negotiating.

President Barber asked if it was possible to enter into discussions with the understanding that they are preliminary in nature. Inform property owners should include information that there will be a public process that may involve workshops for people to express their opinions before entering into contract.

Jon Holtzman suggested that the Board consider forming an Ad Hoc Committee to discuss the process, formats and concerns.

Director Jorgens liked the idea of an Ad Hoc Committee.

Director Jex stated that staff should start with a overall study on how to deliver services strategically and in what format. Once this information is known, the location becomes the next issue. It would be difficult to purchase the property and then think about what to do with it, other than just replace it. Then figure out the costs necessary to execute the plan, where the capital will come from, in what format and when. After creating the plan, then discuss with the community.

President Barber agreed with Director Jex and stated that a study should be done before moving forward. He encouraged the Chief to continue discussions with the property owner, but to wait until after the financial, strategic and public relations concerns are addressed. President Barber commented that he liked the idea of having an Ad Hoc Committee.

Director Famulener commented that the meeting agenda indicates that the Board is only being asked to enter into discussion about potential acquisition. She felt that the Board should allow the Chief to begin discussion to find out what the property owner is offering to determine feasibility to it.

Director Jorgens commented on the need for data and research that needs to be done before discussions should begin.

District Counsel Holtzman stated that the Chief's concern is getting the Board's authorization to begin discussions.

President Barber stated that the Chief should be authorized to enter into preliminary discussions regarding potential acquisition of real properties as part of a larger plan for operational improvements and strategic enhancements of the District.

Mr. Goodwin commented on the larger plan and understanding on how this fits into it. It involves staffing numbers and location of other obsolete fire station, which may take more than a short period of time and suggested bearing that in mind.

Director Jex commented how funding will be generated and the need to determine if the District will operate in the same mode currently operating in or change the use and staffing of facilities in a different format for the different services. He stated that it is strategically important in order to generate funds or save money in the process to justify the need.

President Barber authorized Chief Winnacker to enter into preliminary discussions with property owners of Moraga Way, Orinda, CA 94563 and 1010 Camino Pablo, Moraga, CA 94556 to discuss potential acquisition of the real properties as part of a larger plan, which includes operational improvements and strategic enhancements of the district.

## 9. Committee Reports

### 9.1 Finance Committee (Directors Anderson and Jorgens)

The Committee did not meet and there was nothing to report.

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

The Committee did not meet and there was nothing to report.

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

The Committee did not meet and there was nothing to report.

### 9.4 Audit Ad Hoc Committee (Director Jex)

The Committee did not meet and there was nothing to report.

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

The Committee did not meet and there was nothing to report.

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

The Committee did not meet and there was nothing to report.

## 10. Announcements

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

Director Famulener reported that the Contra Costa County Fire Boards and Commissioners met on October 25, 2018. Chief Winnacker, President Barber, Director Famulener and District Clerk Santos attended.

### 10.2 Questions and informational comments from Board members and Staff

Director Famulener asked for a light agenda at the December 19 meeting, with the retirement and swearing-in ceremonies to follow after the meeting adjourns. President Barber agreed as long as no urgent matters arise.

Director Jorgens commented that he would not be available on December 18th and proposed to meet during the second week of December instead.

Directors Famulener and Jex stated that they would not be available for the December 5th meeting.

President Barber suggested coordinating the December meetings schedule by email.

### 10.3 Fire Chief Updates

Mark McCullah, Local 1230 Representative and MOFD Fire Captain, thanked the retiring Board members for their service and dedication.

#### 10.3.1 Fire Detection Sensor System Update

Chief Winnacker gave a PowerPoint presentation and update on the California Fire Foundation grant funded Early Wildfire Detection Sensor System.

#### 10.3.2 Fuels Mitigation Update/Plan

Chief Winnacker asked for permission to defer the item to a later date, which the Board approved.

#### 10.3.3 Station 43 Construction Update

Chief Winnacker gave an update on the Station 43 Construction project.

#### 10.4 Communications Received

Chief Winnacker received several cards thanking the District for positive medical outcomes.

#### 10.5 Future Agenda Items

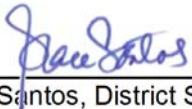
President Barber requested a long-term agenda item. He directed Chief Winnacker, working in collaboration with the labor groups, to prepare a report before June 30, 2019 that includes an analysis and recommendations on operational improvements and modernization within the District. Including, but not limited to, emergency medical and fire rescue, and wildfire prevention. The report analysis and recommendations should address both effectiveness and efficiency in operations including how best to provide improved service to the areas of the District where current levels of service are suboptimal, examining models of providing service improvements and location of District facilities. It should also address ways and means effectively to reduce or eliminate unfunded pension liabilities within a defined timeline so that when the next economic downturn occurs, it will be unnecessary to reduce either services or salaries.

Director Jorgens requested adding an item on the next agenda that addresses the staffing of the District's financial vehicles, how the boards are staffed, determine if a policy is needed, and the appropriateness of the committees, given that they are questionably ethical. Director Famulener agreed.

President Barber cancelled the scheduled Closed Session.

#### 11. Adjournment

At 9:45 P.M., President Barber called for adjournment of the regular meeting.



Grace Santos, District Secretary/Clerk

DRAFT

### MOFD Response Time Summary by Incident Type (grouped) for All Code 2 and Code 3 Responses.

Will only show Incident Types that are applicable. EMS/Rescue - Structure Fires (actual type is in structure) - Vegetation Fires - Other Types Grouped (Alarms/Hazards/Pub Svc/Etc) Data Based On Completed RMS Incident Report Data entered by Company Officer - Not based on Raw CAD Data...

	<i>October, 2018</i>					<i>Totals</i>
	All Others (Alarms / Pub Service / Etc.)	EMS / Rescue	Structure Fires	Veg Fires	Vehicle Accidents	
<b>Incident Totals</b>	<b>105</b>	<b>207</b>	<b>2</b>	<b>2</b>	<b>24</b>	<b>340</b>
<b>Median Turnout</b>	<b>1.25</b>	<b>1.17</b>	<b>1.52</b>	<b>2.03</b>	<b>1.17</b>	<b>1.20</b>
<b>Median Resp Time</b>	<b>6.02</b>	<b>5.63</b>	<b>7.37</b>	<b>9.85</b>	<b>6.52</b>	<b>5.98</b>
<b>Resp Time (90th%)</b>	<b>10.60</b>	<b>10.22</b>	<b>11.27</b>	<b>12.37</b>	<b>12.60</b>	<b>10.70</b>

#### Code 3 Response Time Summary by City and Incident Type. Times shown are based on the First Responding Units Arrival at Scene of Emergency.

		<i>October, 2018</i>			
		Incident Totals	Median Turnout	Median Resp Time	Resp Time (90th%)
<b>Orinda</b>	EMS / Rescue	77	1.13	4.65	7.43
	Structure Fires	1	1.48	5.57	5.57
	All Other Types	29	1.27	5.53	9.01
	Totals for City	107	1.20	5.02	7.93
<b>Moraga</b>	EMS / Rescue	77	1.15	4.62	7.60
	All Other Types	15	1.43	5.42	7.53
	Totals for City	92	1.18	4.67	7.59
<b>Lafayette</b>	EMS / Rescue	11	1.22	5.63	8.40
	Structure Fires	1	0.92	6.80	6.80
	All Other Types	5	1.52	7.55	9.72
	Totals for City	17	1.38	6.50	9.46
<b>Canyon</b>	EMS / Rescue	1	0.80	10.73	10.73
	Totals for City	1	0.80	10.73	10.73
<b>Overall Total</b>		<b>217</b>	<b>1.20</b>	<b>5.02</b>	<b>7.93</b>

#### Response Totals By Incident Type

	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Total
All Others (Alarms / Pub Service / Etc.)	118	101	107	88	103	80	95	113	111	106	97	105	1,224
EMS / Rescue	161	187	198	163	191	172	185	155	159	179	173	207	2,130
Structure Fires		1	2	1		1	1	5	2	2	2	2	19
Veg Fires		2		1		1	4	9	3	2	3	2	27
Vehicle Accidents	14	13	18	15	27	24	19	13	15	16	11	24	209
<b>Grand Total</b>	<b>293</b>	<b>304</b>	<b>325</b>	<b>268</b>	<b>321</b>	<b>278</b>	<b>304</b>	<b>295</b>	<b>290</b>	<b>305</b>	<b>286</b>	<b>340</b>	<b>3,609</b>

7.2



**Incident Types**

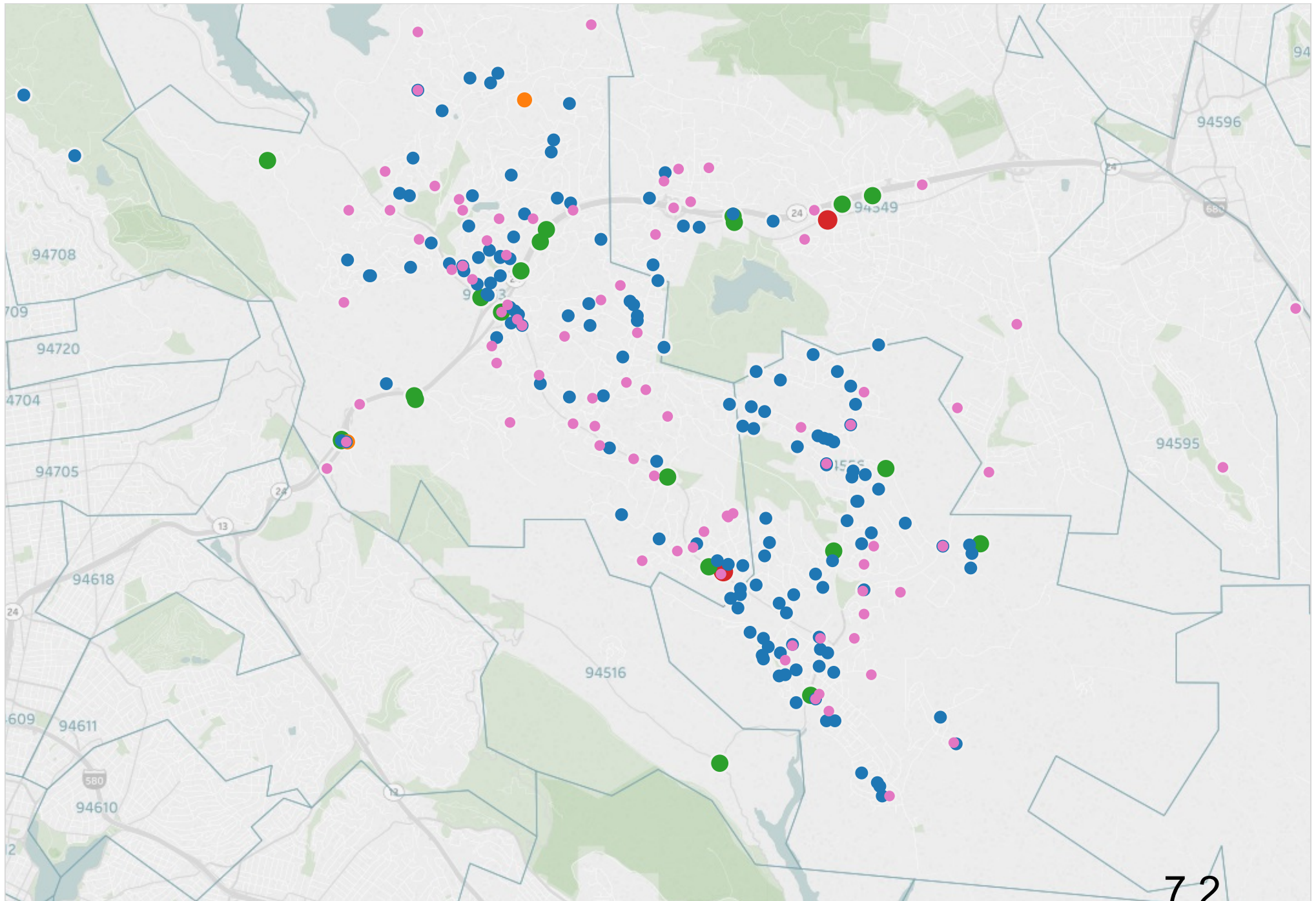
■ All Others (Alarms / Pub Service .. ■ EMS / Rescue

■ Veg Fires

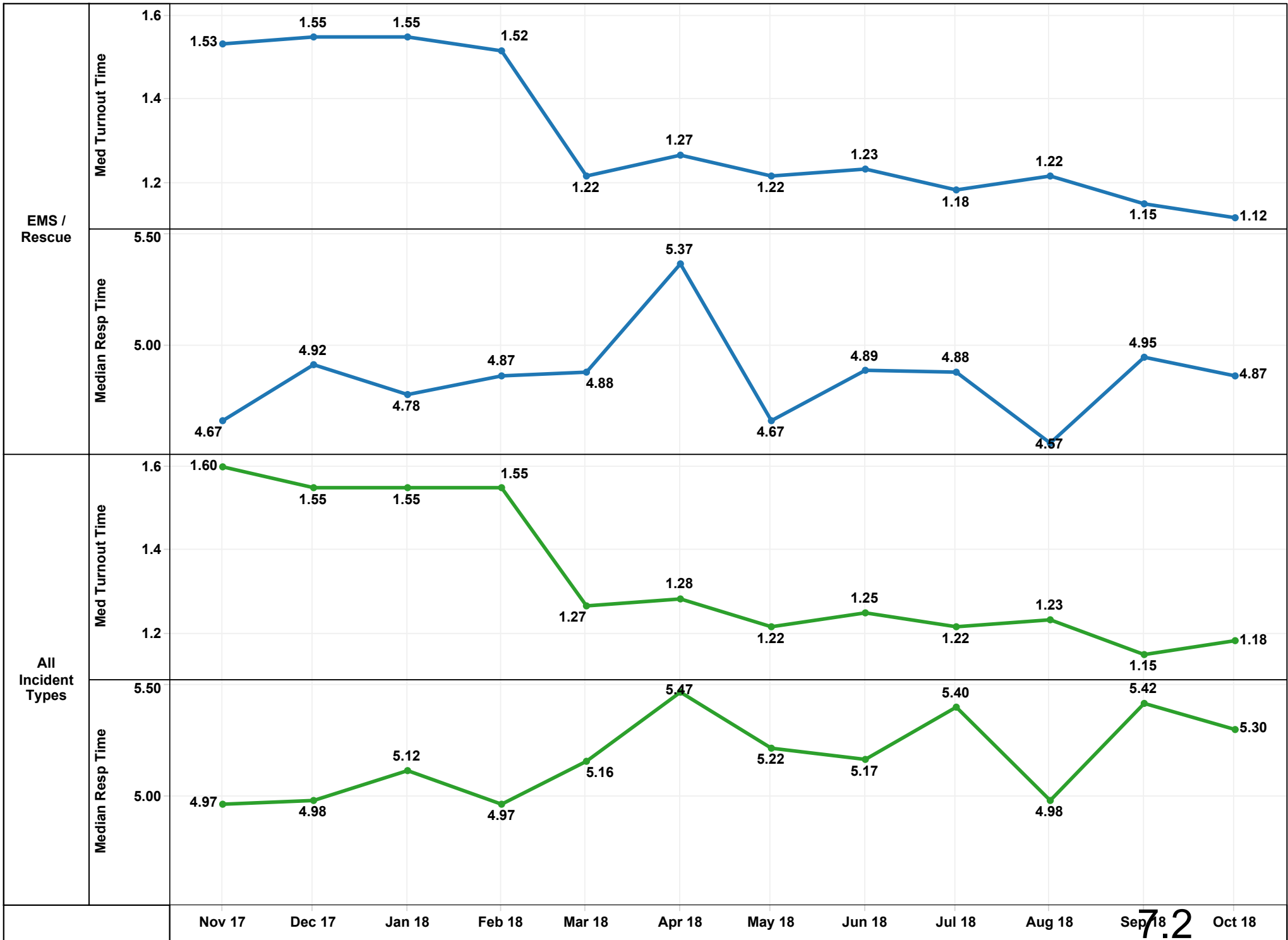
■ Vehicle Accidents

■ Structure Fires

**Incident Location Map for MOFD October 2018**



Run Chart for MOFD EMS / Rescue and All Incident Types for the last full 12 months. Median Turnout and Response Times By Month for First At Scene Units



7.2

**Moraga-Orinda Fire District**  
 Check/Voucher Register - Check Register  
 From 10/1/2018 Through 10/31/2018

Check Number	Check Date	Name	Check Amount	Transaction Description
26501	10/11/2018	ADP, Inc.	391.21	ADP Payroll Fees ending 09/30/18
	10/11/2018	ADP, Inc.	990.53	HR/Benefit Workforce processing& Payroll fees en 9/17/18
26502	10/11/2018	ADT Security Services	69.27	Services 10/9/18-11/08/18- Station 45
26503	10/11/2018	AFSCME Council 57	185.30	Period Ending 09/30/18
26504	10/11/2018	Airgas USA, LLC	410.55	Tank Rental-Station 41- #2118770 -September 201
	10/11/2018	Airgas USA, LLC	44.55	Tank Rental-Station 44- #2902766 -September 201
	10/11/2018	Airgas USA, LLC	298.19	Tank Rental-Station 45- #2867225 -September 201
26505	10/11/2018	ALSCO - American Linen Divi...	496.32	September 2018 linen
26506	10/11/2018	American Fidelity	2,243.51	Period Ending 09/30/2018
	10/11/2018	American Fidelity	1,118.20	Supplemental deductions-Period Ending 09/30/18
26507	10/11/2018	American Messaging	25.27	Paging Service October 2018
26508	10/11/2018	A T and T	151.57	Acct# 9391053307 09/01/18-10/31/18 Emergency landlines
26509	10/11/2018	A T and T Mobility	625.64	Phone Acct #287016079073 08/16/18-09/15/18
26510	10/11/2018	Bandwidth.com, Inc.	420.32	Service 10/1/18-10/31/18
26511	10/11/2018	Berkeley Fire Department	3,334.00	Academy seat- 1st of 3 payments
26512	10/11/2018	Biomedical Waste Disposal	79.00	September 2018 Medical Waste A/C #0349
	10/11/2018	Biomedical Waste Disposal	79.00	September 2018 Medical Waste A/C #0350
26513	10/11/2018	Bound Tree Medical, LLC	33.90	Ondansetron
	10/11/2018	Bound Tree Medical, LLC	204.00	Ondansetron and Amiodarone
26514	10/11/2018	Central Contra Costa Sanitary...	3,649.67	2018-2019 Annual Sewer Service Charges
26515	10/11/2018	Comcast	86.28	8155 40 005 0208428 Station 41-09/29/18-10/28/18
	10/11/2018	Comcast	86.28	8155 40 005 0208436 Station 42-09/24/18-10/23/18
	10/11/2018	Comcast	86.21	8155 40 006 0190996 Station 45-09/23/18-10/22/18
26516	10/11/2018	Concord Garden Equipment	226.49	Chainsaw replacement parts
	10/11/2018	Concord Garden Equipment	574.20	Gas for power equipment
26517	10/11/2018	Chris B. Davies	50.00	Shoes
26518	10/11/2018	Definitive Networks, Inc.	19,366.00	Service coverage for September 2018
26519	10/11/2018	Dell Financial Services	570.70	Rental & Admin Fee 09/13/18-10/12/18 A/C #001-8402535-008
26520	10/11/2018	ECMS, Inc.	188.39	PPE alterations
26521	10/11/2018	Dan Elbanna	50.00	Shoes
26522	10/11/2018	Evan Ford	50.00	Shoes
26523	10/11/2018	Daniel Giffin	24.00	Reimb. travel day meals-8/9/18 and 8/16/18-D. Gift
26524	10/11/2018	NEOGOV	4,153.43	Annual license and Governmentjobs.com subscript
26525	10/11/2018	HercRentals	833.07	Pickup rental for Single Resource-Yosemite
26526	10/11/2018	Hunt & Sons, Inc.	1,141.22	Fuel A/C #72371
	10/11/2018	Hunt & Sons, Inc.	565.38	Fuel A/C #72372
	10/11/2018	Hunt & Sons, Inc.	678.20	Fuel A/C #72373
	10/11/2018	Hunt & Sons, Inc.	989.27	Fuel A/C #72375
26527	10/11/2018	IAFF Local 1230 Dues	7,598.53	Period Ending 09/30/18
26528	10/11/2018	IAFF Local 1230 Insurance	1,582.95	Period Ending 09/30/18
26529	10/11/2018	The Jumpy Company	159.00	Fire truck jumpy house for Open House 10/6/18
26530	10/11/2018	L.N. Curtis & Sons	37.90	Adapter
	10/11/2018	L.N. Curtis & Sons	1,190.14	E43 Hurst repair
	10/11/2018	L.N. Curtis & Sons	239.26	Side intake valve repair
	10/11/2018	L.N. Curtis & Sons	73.95	Smooth bore tip
	10/11/2018	L.N. Curtis & Sons	418.69	Structure boots-Grgurevic
	10/11/2018	L.N. Curtis & Sons	880.00	T44 -Hurst replacement of high pressure hydraulic lines
	10/11/2018	L.N. Curtis & Sons	2,142.39	T44 Hurst equipment/supplies
26531	10/11/2018	Muscular Dystropy Association	2,615.72	Donation-proceeds Open House pancake breakfas 10/6/18
26532	10/11/2018	National Construction Rentals	34.26	Overhead meter pole-0001 monthly rental-09/19/18-10/16/18

**Moraga-Orinda Fire District**  
 Check/Voucher Register - Check Register  
 From 10/1/2018 Through 10/31/2018

Check Number	Check Date	Name	Check Amount	Transaction Description
	10/11/2018	National Construction Rentals	34.26	Overhead meter pole-0002 monthly rental-10/02/18-10/29/18
26533	10/11/2018	Office Depot	91.49	Copy paper
	10/11/2018	Office Depot	173.57	Copy paper, storage boxes and index cards
	10/11/2018	Office Depot	24.06	Hanging files
	10/11/2018	Office Depot	135.37	Jacket files, batteries and restroom supplies
26534	10/11/2018	Pacific Gas & Electric	698.00	09/04/18-10/02/18
	10/11/2018	Pacific Gas & Electric	1,623.28	09/04/18-10/02/18 Station 45 Electric
26535	10/11/2018	Pitney Bowes	182.99	St 41 Postage Machine Rental A/C #17220373 07/30/18-10/29/18
26536	10/11/2018	Republic Services	485.72	October 2018 Trash A/C#302100093245
	10/11/2018	Republic Services	93.09	October 2018 Trash A/C#302100094052
	10/11/2018	Republic Services	465.77	October 2018 Trash A/C#302100095331
	10/11/2018	Republic Services	93.09	October 2018 Trash A/C#302100108522
26537	10/11/2018	Safeway, Inc	5.09	Water for Board meetings- 9/5/18
26538	10/11/2018	Shah Kawasaki Architects	7,077.28	Services 09/01/18 to 09/30/18
26539	10/11/2018	Sloan Sakai Yeung & Wong L...	2,008.95	AFSCME Negotiations-August 2018
	10/11/2018	Sloan Sakai Yeung & Wong L...	405.54	AFSCME Negotiations-July 2018
	10/11/2018	Sloan Sakai Yeung & Wong L...	1,590.50	IAFF Negotiations-August 2018
	10/11/2018	Sloan Sakai Yeung & Wong L...	7,645.00	Reference # SF-CE-1588-M August 2018
	10/11/2018	Sloan Sakai Yeung & Wong L...	13,601.50	Reference # SF-CE-1588-M July 2018
26540	10/11/2018	Terracon Consultants, Inc	2,073.00	Services through 9/1/18 welding inspection
	10/11/2018	Terracon Consultants, Inc	2,922.00	Services through 9/29/18 Special inspections
26541	10/11/2018	Verizon Wireless	649.54	Account 623714059-00001 Service 08/24/18-09/23
	10/11/2018	Verizon Wireless	306.11	Account 623714059-00003 Service 08/24/18-09/23
	10/11/2018	Verizon Wireless	105.84	Account 623714059-00004 Service 08/24/18-09/23
26542	10/11/2018	Vavrinek, Trine Day & Co., LLP	6,000.00	Final phase of audit and financial statement prep.
26543	10/11/2018	Wells Fargo Bank	1,500.00	Trustee fees for 2018-19 Pension Obligation Bonds
26544	10/17/2018	Berry Bros. Towing and Trans...	625.00	Tow from Station 41 to ALCO-break down Ford F-2 Utility
	10/17/2018	Berry Bros. Towing and Trans...	437.50	Tow to Station 41-break down Ford F-250 Utility
26545	10/17/2018	Janet Brandi-Rouff	121.04	Reimb. travel meals and fuel-Strike team 9/6/18-9/15/18
26546	10/17/2018	California Bank of Commerce	26,979.26	Sausal Corporation Account #1079128 MOFD-Stat 43
26547	10/17/2018	Commercial Gutter & Cleaning	2,100.00	Station 45 roof gutter repair
26548	10/17/2018	Consolidated CM	15,995.00	Management services 08/18/18-09/14/18
26549	10/17/2018	CPR Training Center	320.00	PALS renewal-Airola and Huebner
26550	10/17/2018	Dell Financial Services	302.46	Rental & Admin Fee 11/01/18-11/30/18 A/C #001-8402535-009
26551	10/17/2018	Department of Toxic Substanc...	150.00	EPA fee- VQ#201731397
26552	10/17/2018	Travis Dulli	200.00	Paramedic licence renewal-T. Dulli
26553	10/17/2018	Motorola	1,006.06	3 Motorola APX 8000 portable mic's
26554	10/17/2018	Orinda Motors, Inc.	146.81	Oil change-2017 Medic Ford E-450
26555	10/17/2018	Paymentus Group, Inc.	53.83	Credit card fees-September 2018
26556	10/17/2018	PODS Enterprises, LLC	216.61	Container rental 10/12/18-11/11/18
26557	10/17/2018	Renne Public Law Group, LLP	20,084.56	Services thru 9/30/18
26558	10/17/2018	Christine Russell	76.60	Reimb.-Supplies for Firefighter oral boards
26559	10/17/2018	Sausal Corporation	242,813.35	Station 43 construction thru 8/31/18
26560	10/17/2018	Shred-it	66.00	September 2018 pick-up
26561	10/17/2018	TIAA Commercial Finance, Inc.	223.34	Copier Rental October 2018 A/C #20317889-1
26562	10/17/2018	United Site Services	335.96	Port-A-Potty for Open House 10/05/18
	10/17/2018	United Site Services	2,121.09	Service 10/01/18-10/31/18
26563	10/17/2018	U.S. Healthworks Medical Gro...	76.00	DMV exam- Grgurevic
26564	10/24/2018	ADP, Inc.	984.85	HR/Benefit Workforce processing& Payroll fees ending10/15/18
26565	10/24/2018	ADT Security Services	42.52	Services 11/4/18-12/03/18- Admin bldg. camera

**Moraga-Orinda Fire District**  
 Check/Voucher Register - Check Register  
 From 10/1/2018 Through 10/31/2018

Check Number	Check Date	Name	Check Amount	Transaction Description
	10/24/2018	ADT Security Services	42.99	Services 11/4/18-12/03/18-- Admin bldg. burglar system
26566	10/24/2018	Bound Tree Medical, LLC	1,741.67	Misc supplies
26567	10/24/2018	CCC Fire Commissioners Ass...	105.00	Meeting 10/25/18-Famulener, Barber and Winnack
26568	10/24/2018	Comcast	98.38	8155 40 006 0190996 Station 45-10/23/18-11/22/18
	10/24/2018	Comcast	88.38	8155 40 006 0191002 Station 44-10/14/18-11/13/18
	10/24/2018	Comcast	88.38	8155 40 006 0191028 Station 43-10/14/18-11/13/18
26569	10/24/2018	Diablo Rapid Print	303.10	2000 MOFD envelopes
26570	10/24/2018	EBMUD	499.84	Water 08/02/18-10/03/18 6" meter
	10/24/2018	EBMUD	170.26	Water 08/02/18-10/03/18 3/4" meter
	10/24/2018	EBMUD	752.00	Water 08/13/18-10/12/18
26571	10/24/2018	L.N. Curtis & Sons	1,109.77	Breathing air compressor calibration service
	10/24/2018	L.N. Curtis & Sons	492.54	Fire shelter and wildland helmet
26572	10/24/2018	National Construction Rentals	34.26	Overhead meter pole-0001 monthly rental-10/17/18-11/13/18
26573	10/24/2018	Office Depot	124.34	Copy paper, pens and rest room supplies
	10/24/2018	Office Depot	138.41	Copy paper, pens, envelopes and rest room supplies
26574	10/24/2018	Pacific Gas & Electric	323.12	09/05/18-10/03/18 Admin
	10/24/2018	Pacific Gas & Electric	872.35	09/05/18-10/03/18 Station 41
	10/24/2018	Pacific Gas & Electric	1,117.96	09/05/18-10/03/18 Station 42-Electric
	10/24/2018	Pacific Gas & Electric	77.57	09/06/18-10/04/18 Station 42-Gas
	10/24/2018	Pacific Gas & Electric	64.67	09/15/18-10/16/18 Station 45-Gas
	10/24/2018	Pacific Gas & Electric	472.56	09/17/18-10/16/18 Station 43
26575	10/24/2018	Pitney Bowes Purchase Power	149.18	Postage Refill A/C #8000-9000-0704-2918
26576	10/24/2018	Thomas Schwedhelm	250.00	PALS renewal-Schwedhelm
26577	10/24/2018	St. Stephen's Episcopal Church	8,106.89	Temp Station rent- Sept. and Oct. 2018
26578	10/24/2018	U.S. Healthworks Medical Gro...	40.00	DMV exam-Johansen
26579	10/24/2018	Verizon Wireless	56.16	12-lead modem wireless 09/11/18-10/10/18
26580	10/24/2018	Wittman Enterprises, LLC	5,387.38	September 2018
26581	10/31/2018	ADT Security Services	69.27	Services 11/9/18-12/08/18- Station 45
26582	10/31/2018	Alameda County Fire Depart...	11,742.08	Misc. repairs
26583	10/31/2018	Allied Propane Services, Inc	137.18	Commercial propane 10/23/18
26584	10/31/2018	A T and T	336.82	Acct# 9391035207 09/12/18-10/11/18
	10/31/2018	A T and T	7.37	Acct#9391060223 09/13/18-10/12/18 Conference calling
26585	10/31/2018	A T and T Mobility	1,667.02	Phone Acct #287016079073 09/16/18-10/15/18+ C Santos phone
26586	10/31/2018	Biomedical Waste Disposal	79.00	October 2018 Medical Waste A/C #0349
	10/31/2018	Biomedical Waste Disposal	79.00	October 2018 Medical Waste A/C #0350
26587	10/31/2018	Bound Tree Medical, LLC	1,054.71	CPR/Trauma manikin
	10/31/2018	Bound Tree Medical, LLC	158.21	Epinephrine
	10/31/2018	Bound Tree Medical, LLC	47.85	Evac-U-Splint replacement straps
	10/31/2018	Bound Tree Medical, LLC	11,336.69	Misc supplies
	10/31/2018	Bound Tree Medical, LLC	108.14	Restraint straps
	10/31/2018	Bound Tree Medical, LLC	64.73	Sani-cloth wipes
26588	10/31/2018	California Diesel & Power	450.00	Generator inspection-Station 41
	10/31/2018	California Diesel & Power	775.00	Generator inspection-Station 42
	10/31/2018	California Diesel & Power	600.00	Generator inspection-Station 44
	10/31/2018	California Diesel & Power	500.00	Generator inspection-Station 45
26589	10/31/2018	California Bank of Commerce	39,713.23	Sausal Corporation Account #1079128 MOFD-Station 43
26590	10/31/2018	Comcast	88.47	8155 40 005 0208428 Station 41-10/29/18-11/28/18
	10/31/2018	Comcast	88.47	8155 40 005 0208436 Station 42-10/24/18-11/23/18
26591	10/31/2018	FDAC EBA	1,229.79	November 2018 vision
	10/31/2018	FDAC EBA	1,226.31	October 2018 vision
26592	10/31/2018	Hunt & Sons, Inc.	1,979.33	Fuel A/C #72371
	10/31/2018	Hunt & Sons, Inc.	824.29	Fuel A/C #72372

**Moraga-Orinda Fire District**  
 Check/Voucher Register - Check Register  
 From 10/1/2018 Through 10/31/2018

<u>Check Number</u>	<u>Check Date</u>	<u>Name</u>	<u>Check Amount</u>	<u>Transaction Description</u>
	10/31/2018	Hunt & Sons, Inc.	217.72	Fuel A/C #72373
	10/31/2018	Hunt & Sons, Inc.	563.15	Fuel A/C #72375
26593	10/31/2018	Greg Kennedy	2,160.00	3rd quarter EMS training
26594	10/31/2018	L.N. Curtis & Sons	58.38	Wildland shroud
26595	10/31/2018	PLIC- SBD Grand Island	116.55	November 2018
26596	10/31/2018	Sausal Corporation	357,419.08	Station 43 construction thru 9/30/18
26597	10/31/2018	Thomas Schwedhelm	23.33	PALS training mileage reimb.-Schwedhelm
26598	10/31/2018	Sloan Sakai Yeung & Wong L...	2,313.45	2018 AFSCME Negotiations
	10/31/2018	Sloan Sakai Yeung & Wong L...	20,703.35	2018 IAFF Negotiations
	10/31/2018	Sloan Sakai Yeung & Wong L...	120.50	BC Negotiations- 2018
26599	10/31/2018	Staples Advantage	752.22	Misc. supplies
26600	10/31/2018	Lucas Trumpf	200.00	Paramedic licence renewal-L. Trumpf
26601	10/31/2018	WFCA: The Daily Dispatch	280.00	Fuels Mitigation Manager position ad
CC-1018	10/10/2018	CCCERA Retirement	158,478.66	CCCERA retirement payment-September 2018 contributions
CP053	10/5/2018	Calif. Public Employees'	174,827.10	CalPers Health Ins
CU-1018	10/10/2018	1st NorCal Federal Credit Union	1,743.20	Period Ending 09/30/18
DD053	10/9/2018	Delta Dental Plan of Calif.	16,325.64	Delta Dental ACH payment
PFA 1018	10/10/2018	Moraga-Orinda Professional F...	1,572.00	Period ending 09/30/18
Stmt 08/22/18	10/4/2018	U.S. Bank	17,574.65	A/C #4246-0445-5564-6748 07/23/18
Report Total			1,279,529.89	

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - Capital Projects Fund Actual to Budget-18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget - Original	Total Budget Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
Use of Money & Property					
Investment Earnings	4181	210.49	10,000.00	(9,789.51)	(97.90)%
Total Use of Money & Property		210.49	10,000.00	(9,789.51)	(97.90)%
Charges for Service					
Impact Mitigation Fees	4743	35,200.00	40,000.00	(4,800.00)	(12.00)%
Total Charges for Service		35,200.00	40,000.00	(4,800.00)	(12.00)%
Other Revenue					
Sale of Surplus Property	4980	15,200.00	100,000.00	(84,800.00)	(84.80)%
Transfers In	4999	0.00	73,186.00	(73,186.00)	(100.00)%
Total Other Revenue		15,200.00	173,186.00	(157,986.00)	(91.22)%
Total Revenue		50,610.49	223,186.00	(172,575.51)	(77.32)%
<b>Expenditures</b>					
Other Expense					
Bank Fees	7510	55.00	100.00	45.00	45.00%
Fire Flow Tax Collection Fees	7531	0.00	14,000.00	14,000.00	100.00%
Capital Contingency-Facilities, ...	7700	0.00	150,000.00	150,000.00	100.00%
Apparatus/Vehicles-Fixed Asset...	7703	0.00	160,000.00	160,000.00	100.00%
Buildings-Station #43-Fixed Ass...	7706	951,327.08	3,723,394.00	2,772,066.92	74.45%
FEMA (AFG) Grants-Fixed Asse...	7707	0.00	50,000.00	50,000.00	100.00%
Misc. Equipment Expense	7709	14,237.90	84,650.00	70,412.10	83.18%
Total Other Expense		965,619.98	4,182,144.00	3,216,524.02	76.91%
Total Expenditures		965,619.98	4,182,144.00	3,216,524.02	76.91%
Excess of Revenues Over/ (Under) Expenditures		(915,009.49)	(3,958,958.00)	3,043,948.51	(76.89)%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
<b>Taxes</b>					
Property Tax-Current Secured	4010	18,387,683.42	19,861,594.00	(1,473,910.58)	(7.42)%
Property Tax-Supplemental	4011	123,978.15	300,000.00	(176,021.85)	(58.67)%
Property Tax-Unitary	4013	145.05	200,000.00	(199,854.95)	(99.93)%
Property Tax-Curr Unsecured	4020	0.00	600,000.00	(600,000.00)	(100.00)%
Prop Tax- Prior Secured	4030	0.00	(55,000.00)	55,000.00	(100.00)%
Prop Tax-Prior Supplement	4031	0.00	(35,000.00)	35,000.00	(100.00)%
Prop Tax Prior Unsecured	4035	0.00	(10,000.00)	10,000.00	(100.00)%
Fire Flow Tax	4066	1,084,245.06	1,085,000.00	(754.94)	(0.07)%
<b>Total Taxes</b>		<u>19,596,051.68</u>	<u>21,946,594.00</u>	<u>(2,350,542.32)</u>	<u>(10.71)%</u>
<b>Use of Money &amp; Property</b>					
Investment Earnings	4181	0.00	3,000.00	(3,000.00)	(100.00)%
<b>Total Use of Money &amp; Property</b>		<u>0.00</u>	<u>3,000.00</u>	<u>(3,000.00)</u>	<u>(100.00)%</u>
<b>Intergovernmental Revenue</b>					
Homeowners Relief Tax	4385	0.00	154,000.00	(154,000.00)	(100.00)%
Intergovernmental Revenue-Federal Grants	4437	130,382.25	480,000.00	(349,617.75)	(72.84)%
CA FF JAC Training Funds	4440	0.00	15,000.00	(15,000.00)	(100.00)%
Other/In Lieu of Taxes	4580	939.70	902.00	37.70	4.18%
Measure H-Emerg Med Ser Subsid	4896	0.00	85,513.00	(85,513.00)	(100.00)%
<b>Total Intergovernmental Revenue</b>		<u>131,321.95</u>	<u>735,415.00</u>	<u>(604,093.05)</u>	<u>(82.14)%</u>
<b>Charges for Service</b>					
Permits	4740	177.00	2,000.00	(1,823.00)	(91.15)%
Plan Review	4741	109,017.00	250,000.00	(140,983.00)	(56.39)%
Inspection Fees	4742	18,542.00	35,000.00	(16,458.00)	(47.02)%
Weed Abatement Charges	4744	21,211.62	25,000.00	(3,788.38)	(15.15)%
CPR/First Aid Classes	4745	774.00	2,000.00	(1,226.00)	(61.30)%
Reports/ Photocopies	4746	165.00	350.00	(185.00)	(52.86)%
Other Charges for Service	4747	8,272.00	6,000.00	2,272.00	37.87%
<b>Total Charges for Service</b>		<u>158,158.62</u>	<u>320,350.00</u>	<u>(162,191.38)</u>	<u>(50.63)%</u>
<b>Charges for Service - Ambulance</b>					
Ambulance Service Fees	4898	729,784.37	1,133,000.00	(403,215.63)	(35.59)%
Ambulance Service Fee Reimbursements	4899	(66,920.89)	(116,000.00)	49,079.11	(42.31)%
Ambulance Collection Recovery Payments	4900	0.00	2,000.00	(2,000.00)	(100.00)%
Ground Emergency Medical Transportation	4901	0.00	40,000.00	(40,000.00)	(100.00)%
<b>Total Charges for Service - Ambulance</b>		<u>662,863.48</u>	<u>1,059,000.00</u>	<u>(396,136.52)</u>	<u>(37.41)%</u>
<b>Other Revenue</b>					
Other Revenue-Strike Team Recovery	4971	62,901.20	530,000.00	(467,098.80)	(88.13)%
Other Revenue & Financing Sources	4972	15,000.00	33,000.00	(18,000.00)	(54.55)%
Other Revenue-Misc.	4974	43,733.57	1,000.00	42,733.57	4,273.36%
Misc Rebates & Refunds	4975	460.46	1,000.00	(539.54)	(53.95)%
Sale of Surplus Property	4980	106.00	1,000.00	(894.00)	(89.40)%
Transfers In	4999	542.43	0.00	542.43	0.00%
<b>Total Other Revenue</b>		<u>122,743.66</u>	<u>566,000.00</u>	<u>(443,256.34)</u>	<u>(78.31)%</u>
<b>Total Revenue</b>		<u>20,671,139.39</u>	<u>24,630,359.00</u>	<u>(3,959,219.61)</u>	<u>(16.07)%</u>



**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
<b>Expenditures</b>					
<b>Salaries &amp; Benefits</b>					
Permanent Salaries	5011	2,858,684.48	9,393,200.00	6,534,515.52	69.57%
Temporary Salaries	5013	67,207.30	254,531.00	187,323.70	73.60%
Overtime	5014	705,029.17	1,528,928.00	823,898.83	53.89%
Deferred Compensation	5015	7,878.00	22,100.00	14,222.00	64.35%
Overtime - Strike Team	5016	403,038.09	550,020.00	146,981.91	26.72%
Worker's Compensation Recovery	5019	(63,593.44)	(122,000.00)	(58,406.56)	47.87%
Payroll Taxes -FICA,SUI	5042	62,319.50	193,441.00	131,121.50	67.78%
Payroll Processing Fees	5043	5,133.40	20,000.00	14,866.60	74.33%
Retirement Contributions	5044	1,463,749.94	5,237,068.00	3,773,318.06	72.05%
Life/Health Insurance-Permanent Employees	5060	349,044.02	1,265,628.00	916,583.98	72.42%
Employee's-Health Insurance Contribution	5061	(41,216.13)	(135,058.00)	(93,841.87)	69.48%
Retiree Health Insurance	5062	412,720.99	1,200,000.00	787,279.01	65.61%
Retiree-Health Insurance Contribution	5063	(112,026.22)	(325,000.00)	(212,973.78)	65.53%
Unemployment Insurance	5064	611.00	18,000.00	17,389.00	96.61%
Retiree-Health OPEB Contribution	5065	0.00	439,771.00	439,771.00	100.00%
Vision Insurance	5066	6,300.12	19,908.00	13,607.88	68.35%
Pension Rate Stabilization	5067	0.00	1,100,000.00	1,100,000.00	100.00%
Workers' Compensation Insurance	5070	219,694.00	878,775.00	659,081.00	75.00%
<b>Total Salaries &amp; Benefits</b>		<b>6,344,574.22</b>	<b>21,539,312.00</b>	<b>15,194,737.78</b>	<b>70.54%</b>
<b>Operating Expense</b>					
Office Supplies	6100	2,392.30	11,725.00	9,332.70	79.60%
Postage	6101	1,417.30	5,000.00	3,582.70	71.65%
Books & Periodicals	6102	0.00	7,650.00	7,650.00	100.00%
Printer Ink Cartridges	6103	223.94	3,000.00	2,776.06	92.54%
Telephone/Communication	6110	12,341.38	50,000.00	37,658.62	75.32%
Dispatch/Comm Center Services w/ AVL MDT	6111	0.00	188,700.00	188,700.00	100.00%
Utilities- Sewer	6120	3,649.67	5,400.00	1,750.33	32.41%
Utilities-Garbage	6121	4,457.59	12,845.00	8,387.41	65.30%
Utilities-PG&E	6122	17,215.69	65,690.00	48,474.31	73.79%
Utilities-Water	6123	4,887.82	13,860.00	8,972.18	64.73%
Utilities-Medical Waste	6124	1,062.00	3,300.00	2,238.00	67.82%
Small Tools & Instruments	6130	3,663.06	7,000.00	3,336.94	47.67%
Minor Equipment/Furniture	6131	441.74	1,500.00	1,058.26	70.55%
Computer Equipment & Supplies	6132	0.00	3,000.00	3,000.00	100.00%
Gas Power Chain Saw/Other Equipmen	6133	428.31	6,800.00	6,371.69	93.70%
Fire Trail Grading	6135	393.04	20,000.00	19,606.96	98.03%
Fire Fighting Equipment & Supplies	6137	830.26	3,400.00	2,569.74	75.58%
Fire Fighting Equipment-Hoses & Nozzles	6138	4,394.57	11,000.00	6,605.43	60.05%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Fire Fighting Equipment-Class A Foam	6139	1,324.47	2,000.00	675.53	33.78%
Medical & Lab Supplies	6140	40,325.51	90,000.00	49,674.49	55.19%
Food Supplies	6150	739.16	4,000.00	3,260.84	81.52%
Safety Clothing & Personal Supplies	6160	27,111.56	150,300.00	123,188.44	81.96%
Non-Safety Clothing & Personal Supplies	6161	550.00	1,500.00	950.00	63.33%
Household Expense	6170	2,762.64	17,000.00	14,237.36	83.75%
Household Expense-Linen	6171	1,453.19	6,880.00	5,426.81	78.88%
Public & Legal Notices	6190	0.00	11,000.00	11,000.00	100.00%
Dues, Memberships & Professional Fees	6200	615.00	9,695.00	9,080.00	93.66%
EMT/Paramedic Licensure Fees	6201	1,400.00	6,500.00	5,100.00	78.46%
Rent & Leases (Equipment)	6250	8,269.03	35,400.00	27,130.97	76.64%
Computer Software & Maintenance	6251	38,282.76	85,750.00	47,467.24	55.36%
Website Development & Maintenance	6252	1,696.00	1,800.00	104.00	5.78%
EPA ID# Verification Fee	6264	150.00	150.00	0.00	0.00%
CCC HazMat Plan (CUPA)	6265	2,575.00	3,000.00	425.00	14.17%
BAAQMD & Environmental Health Fees	6266	589.00	900.00	311.00	34.56%
Air Monitor Maintenance & Replacement	6269	0.00	1,300.00	1,300.00	100.00%
Maintenance -- Equipment	6270	11,443.78	52,500.00	41,056.22	78.20%
Central Garage Repairs	6271	18,082.44	200,000.00	181,917.56	90.96%
Central Garage Gasoline & Oil	6272	25,814.21	65,000.00	39,185.79	60.29%
Central Garage Tires	6273	4,507.20	7,500.00	2,992.80	39.90%
Service/Repair Fuel System Dispensers	6274	0.00	3,500.00	3,500.00	100.00%
Aerial Ladder & Pump Testing	6275	0.00	1,000.00	1,000.00	100.00%
Smog Inspections	6276	0.00	500.00	500.00	100.00%
Air Compressor Quarterly Service	6278	1,109.77	1,500.00	390.23	26.02%
Hydro Test SCBA & Oxy Cylinder	6279	0.00	2,500.00	2,500.00	100.00%
Tank Testing	6280	0.00	1,000.00	1,000.00	100.00%
Maintenance -- Building	6281	12,892.90	52,000.00	39,107.10	75.21%
Maintenance -- Grounds	6282	470.37	6,400.00	5,929.63	92.65%
Meetings & Travel Expenses	6303	193.67	1,375.00	1,181.33	85.91%
Medical - Pre-Emp Processing and Annual Exams	6311	387.05	30,000.00	29,612.95	98.71%
Ambulance Billing Administration Fees	6312	16,265.29	62,000.00	45,734.71	73.77%
Outside Attorney Fees	6313	26,390.43	150,000.00	123,609.57	82.41%
Outside CPR Instructors	6314	470.00	3,000.00	2,530.00	84.33%
CCC County Tax Administration Fee	6316	0.00	190,000.00	190,000.00	100.00%
Professional Services	6317	19,065.00	40,000.00	20,935.00	52.34%
Professional Services - Labor Negotiator	6318	60,996.10	50,000.00	(10,996.10)	(21.99)%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Professional Services - Technology	6319	58,098.00	248,312.00	190,214.00	76.60%
Professional Services - Pre-Employment Investigations	6320	32.00	15,000.00	14,968.00	99.79%
Professional Services - Promotional Exams & Recruitment	6321	636.60	21,000.00	20,363.40	96.97%
Professional Services-OPEB Actuarial Valuation	6322	0.00	4,000.00	4,000.00	100.00%
Exterior Hazard Removal	6323	14,689.13	25,000.00	10,310.87	41.24%
Professional Services-Prop Tax Audit & Forecasting	6326	1,575.00	12,600.00	11,025.00	87.50%
Professional Services	6327	0.00	14,000.00	14,000.00	100.00%
Burn Trailer Grant Maintenance	6352	0.00	3,500.00	3,500.00	100.00%
Testing Materials & Training Props	6354	64.36	12,000.00	11,935.64	99.46%
Career Development Classes	6357	745.57	15,000.00	14,254.43	95.03%
Target Safety Online Training	6359	2,720.00	6,500.00	3,780.00	58.15%
Training & Education Classes-Paramedic & EMT CE	6360	593.33	5,000.00	4,406.67	88.13%
District Sponsored Training-Mandated	6361	0.00	35,000.00	35,000.00	100.00%
Election Expense	6465	0.00	22,000.00	22,000.00	100.00%
Recruiting Costs	6470	3,334.00	75,000.00	71,666.00	95.55%
Strike Team Supplies	6474	11,196.10	4,500.00	(6,696.10)	(148.80)%
Community Emergency Response Team	6475	(769.00)	6,500.00	7,269.00	111.83%
Exercise Supplies/Maint.	6476	30.33	5,000.00	4,969.67	99.39%
Recognition Supplies	6478	(2.16)	5,000.00	5,002.16	100.04%
Other Special Departmental Exp	6479	823.90	65,350.00	64,526.10	98.74%
Public Education Supplies	6480	782.59	3,000.00	2,217.41	73.91%
CPR Supplies	6481	317.95	3,000.00	2,682.05	89.40%
LAFCO	6482	11,623.56	12,000.00	376.44	3.14%
Emergency Preparedness Expense	6484	5,982.15	22,500.00	16,517.85	73.41%
Misc. Services & Supplies	6490	10,402.75	30,000.00	19,597.25	65.32%
Fire Chief Contingency	6491	5,909.09	100,000.00	94,090.91	94.09%
Property & Liability Insurance	6540	55,621.00	48,000.00	(7,621.00)	(15.88)%
<b>Total Operating Expense</b>		<b>568,136.45</b>	<b>2,585,582.00</b>	<b>2,017,445.55</b>	<b>78.03%</b>
Other Expense					
Bank Fees	7510	2,056.94	3,300.00	1,243.06	37.67%
Interest on County Teeter Account	7520	0.00	50.00	50.00	100.00%
County Tax Collection Fees	7530	0.00	300.00	300.00	100.00%
Transfers to Debt Service Fund	7999	161,794.63	1,085,000.00	923,205.37	85.09%
<b>Total Other Expense</b>		<b>163,851.57</b>	<b>1,088,650.00</b>	<b>924,798.43</b>	<b>84.95%</b>
<b>Total Expenditures</b>		<b>7,076,562.24</b>	<b>25,213,544.00</b>	<b>18,136,981.76</b>	<b>71.93%</b>
<b>Excess of Revenues Over/ (Under) Expenditures</b>		<b>13,594,577.15</b>	<b>(583,185.00)</b>	<b>14,177,762.15</b>	<b>(2,431.09)%</b>

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - Debt Service Fund Actual to Budget-18/19  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
<b>Taxes</b>					
Property Tax-Current Secured	4010	3,543,473.00	3,543,473.00	0.00	0.00%
<b>Total Taxes</b>		<b>3,543,473.00</b>	<b>3,543,473.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Use of Money &amp; Property</b>					
Investment Earnings	4181	28.15	5,000.00	(4,971.85)	(99.44)%
<b>Total Use of Money &amp; Property</b>		<b>28.15</b>	<b>5,000.00</b>	<b>(4,971.85)</b>	<b>(99.44)%</b>
<b>Other Revenue</b>					
Transfers In	4999	161,794.63	1,011,814.00	(850,019.37)	(84.01)%
<b>Total Other Revenue</b>		<b>161,794.63</b>	<b>1,011,814.00</b>	<b>(850,019.37)</b>	<b>(84.01)%</b>
<b>Total Revenue</b>		<b>3,705,295.78</b>	<b>4,560,287.00</b>	<b>(854,991.22)</b>	<b>(18.75)%</b>
<b>Expenditures</b>					
<b>Other Expense</b>					
Pension Obligation Bond Principal Payment	7900	2,640,000.00	2,640,000.00	0.00	0.00%
Pension Obligation Bond Interest Payment	7901	368,140.50	667,377.00	299,236.50	44.84%
Apparatus Lease Principal Payment	7902	0.00	646,542.00	646,542.00	100.00%
Apparatus Lease Interest Payment	7903	0.00	43,927.00	43,927.00	100.00%
Lease Agreement Station 43 Principal	7906	123,000.00	245,000.00	122,000.00	49.80%
Lease Agreement Station 43 Interest	7907	38,794.63	76,345.00	37,550.37	49.19%
Transfers to Other Funds	7997	542.43	0.00	(542.43)	0.00%
<b>Total Other Expense</b>		<b>3,170,477.56</b>	<b>4,319,191.00</b>	<b>1,148,713.44</b>	<b>26.60%</b>
<b>Total Expenditures</b>		<b>3,170,477.56</b>	<b>4,319,191.00</b>	<b>1,148,713.44</b>	<b>26.60%</b>
<b>Excess of Revenues Over/ (Under) Expenditures</b>		<b>534,818.22</b>	<b>241,096.00</b>	<b>293,722.22</b>	<b>121.83%</b>

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
27 - Capital Projects Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
<b>Revenue</b>				
Use of Money & Property				
Investment Earnings	4181	210.49	3,333.32	(3,122.83)
Total Use of Money & Property		210.49	3,333.32	(3,122.83)
Charges for Service				
Impact Mitigation Fees	4743	35,200.00	13,333.32	21,866.68
Total Charges for Service		35,200.00	13,333.32	21,866.68
Other Revenue				
Sale of Surplus Property	4980	15,200.00	33,333.32	(18,133.32)
Transfers In	4999	0.00	24,395.32	(24,395.32)
Total Other Revenue		15,200.00	57,728.64	(42,528.64)
Total Revenue		50,610.49	74,395.28	(23,784.79)
<b>Expenditures</b>				
Other Expense				
Bank Fees	7510	55.00	33.32	(21.68)
Fire Flow Tax Collection Fees	7531	0.00	4,666.68	4,666.68
Capital Contingency-Facilities, Equipment	7700	0.00	50,000.00	50,000.00
Apparatus/Vehicles-Fixed Asset Expenditures	7703	0.00	53,333.32	53,333.32
Buildings-Station #43-Fixed Asset Expenditures	7706	951,327.08	1,241,131.32	289,804.24
FEMA (AFG) Grants-Fixed Asset Expenditures	7707	0.00	16,666.68	16,666.68
Misc. Equipment Expense	7709	14,237.90	28,216.68	13,978.78
Total Other Expense		965,619.98	1,394,048.00	428,428.02
Total Expenditures		965,619.98	1,394,048.00	428,428.02
Excess of Revenues Over/ (Under) Expenditures		(915,009.49)	(1,319,652.72)	404,643.23

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
50 - General Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
<b>Revenue</b>				
<b>Taxes</b>				
Property Tax-Current Secured	4010	18,387,683.42	6,620,531.32	11,767,152.10
Property Tax-Supplemental	4011	123,978.15	100,000.00	23,978.15
Property Tax-Unitary	4013	145.05	66,666.68	(66,521.63)
Property Tax-Curr Unsecured	4020	0.00	200,000.00	(200,000.00)
Prop Tax- Prior Secured	4030	0.00	(18,333.32)	18,333.32
Prop Tax-Prior Supplement	4031	0.00	(11,666.68)	11,666.68
Prop Tax Prior Unsecured	4035	0.00	(3,333.32)	3,333.32
Fire Flow Tax	4066	1,084,245.06	361,666.68	722,578.38
<b>Total Taxes</b>		<b>19,596,051.68</b>	<b>7,315,531.36</b>	<b>12,280,520.32</b>
<b>Use of Money &amp; Property</b>				
Investment Earnings	4181	0.00	1,000.00	(1,000.00)
<b>Total Use of Money &amp; Property</b>		<b>0.00</b>	<b>1,000.00</b>	<b>(1,000.00)</b>
<b>Intergovernmental Revenue</b>				
Homeowners Relief Tax	4385	0.00	51,333.32	(51,333.32)
Intergovernmental Revenue-Federal Grants	4437	130,382.25	160,000.00	(29,617.75)
CA FF JAC Training Funds	4440	0.00	5,000.00	(5,000.00)
Other/In Lieu of Taxes	4580	939.70	300.68	639.02
Measure H-Emerg Med Ser Subsid	4896	0.00	28,504.32	(28,504.32)
<b>Total Intergovernmental Revenue</b>		<b>131,321.95</b>	<b>245,138.32</b>	<b>(113,816.37)</b>
<b>Charges for Service</b>				
Permits	4740	177.00	666.68	(489.68)
Plan Review	4741	109,017.00	83,333.32	25,683.68
Inspection Fees	4742	18,542.00	11,666.68	6,875.32
Weed Abatement Charges	4744	21,211.62	8,333.32	12,878.30
CPR/First Aid Classes	4745	774.00	666.68	107.32
Reports/ Photocopies	4746	165.00	116.68	48.32
Other Charges for Service	4747	8,272.00	2,000.00	6,272.00
<b>Total Charges for Service</b>		<b>158,158.62</b>	<b>106,783.36</b>	<b>51,375.26</b>
<b>Charges for Service - Ambulance</b>				
Ambulance Service Fees	4898	729,784.37	377,666.68	352,117.69
Ambulance Service Fee Reimbursements	4899	(66,920.89)	(38,666.68)	(28,254.21)
Ambulance Collection Recovery Payments	4900	0.00	666.68	(666.68)
Ground Emergency Medical Transportation	4901	0.00	13,333.32	(13,333.32)
<b>Total Charges for Service - Ambulance</b>		<b>662,863.48</b>	<b>353,000.00</b>	<b>309,863.48</b>
<b>Other Revenue</b>				
Other Revenue-Strike Team Recovery	4971	62,901.20	176,666.68	(113,765.48)
Other Revenue & Financing Sources	4972	15,000.00	11,000.00	4,000.00
Other Revenue-Misc.	4974	43,733.57	333.32	43,400.25
Misc Rebates & Refunds	4975	460.46	333.32	127.14
Sale of Surplus Property	4980	106.00	333.32	(227.32)
Transfers In	4999	542.43	0.00	542.43
<b>Total Other Revenue</b>		<b>122,743.66</b>	<b>188,666.64</b>	<b>(65,922.98)</b>

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
50 - General Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
Total Revenue		<u>20,671,139.39</u>	<u>8,210,119.68</u>	<u>12,461,019.71</u>
Expenditures				
Salaries & Benefits				
Permanent Salaries	5011	2,858,684.48	2,996,677.32	137,992.84
Temporary Salaries	5013	67,207.30	84,843.68	17,636.38
Overtime	5014	705,029.17	477,442.72	(227,586.45)
Deferred Compensation	5015	7,878.00	7,366.68	(511.32)
Overtime - Strike Team	5016	403,038.09	183,340.00	(219,698.09)
Worker's Compensation Recovery	5019	(63,593.44)	(40,666.68)	22,926.76
Payroll Taxes -FICA,SUI	5042	62,319.50	62,180.32	(139.18)
Payroll Processing Fees	5043	5,133.40	6,666.68	1,533.28
Retirement Contributions	5044	1,463,749.94	1,672,089.32	208,339.38
Life/Health Insurance-Permanent Employees	5060	349,044.02	418,000.00	68,955.98
Employee's-Health Insurance Contribution	5061	(41,216.13)	(50,056.00)	(8,839.87)
Retiree Health Insurance	5062	412,720.99	400,000.00	(12,720.99)
Retiree-Health Insurance Contribution	5063	(112,026.22)	(108,333.32)	3,692.90
Unemployment Insurance	5064	611.00	6,000.00	5,389.00
Retiree-Health OPEB Contribution	5065	0.00	146,590.32	146,590.32
Vision Insurance	5066	6,300.12	6,636.00	335.88
Pension Rate Stabilization	5067	0.00	366,666.68	366,666.68
Workers' Compensation Insurance	5070	219,694.00	292,925.00	73,231.00
Total Salaries & Benefits		<u>6,344,574.22</u>	<u>6,928,368.72</u>	<u>583,794.50</u>
Operating Expense				
Office Supplies	6100	2,392.30	3,908.36	1,516.06
Postage	6101	1,417.30	1,666.68	249.38
Books & Periodicals	6102	0.00	2,550.00	2,550.00
Printer Ink Cartridges	6103	223.94	1,000.00	776.06
Telephone/Communication	6110	12,341.38	16,666.68	4,325.30
Dispatch/Comm Center Services w/ AVL MDT	6111	0.00	62,900.00	62,900.00
Utilities- Sewer	6120	3,649.67	1,800.04	(1,849.63)
Utilities-Garbage	6121	4,457.59	4,281.68	(175.91)
Utilities-PG&E	6122	17,215.69	21,896.64	4,680.95
Utilities-Water	6123	4,887.82	4,620.00	(267.82)
Utilities-Medical Waste	6124	1,062.00	1,100.04	38.04
Small Tools & Instruments	6130	3,663.06	2,333.32	(1,329.74)
Minor Equipment/Furniture	6131	441.74	500.00	58.26
Computer Equipment & Supplies	6132	0.00	1,000.00	1,000.00
Gas Power Chain Saw/Other Equipmen	6133	428.31	2,266.68	1,838.37
Fire Trail Grading	6135	393.04	6,666.68	6,273.64
Fire Fighting Equipment & Supplies	6137	830.26	1,133.32	303.06

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
50 - General Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
Fire Fighting Equipment-Hoses & Nozzles	6138	4,394.57	3,666.68	(727.89)
Fire Fighting Equipment-Class A Foam	6139	1,324.47	666.68	(657.79)
Medical & Lab Supplies	6140	40,325.51	30,000.00	(10,325.51)
Food Supplies	6150	739.16	1,333.36	594.20
Safety Clothing & Personal Supplies	6160	27,111.56	50,100.00	22,988.44
Non-Safety Clothing & Personal Supplies	6161	550.00	500.00	(50.00)
Household Expense	6170	2,762.64	5,666.60	2,903.96
Household Expense-Linen	6171	1,453.19	2,293.32	840.13
Public & Legal Notices	6190	0.00	3,666.68	3,666.68
Dues, Memberships & Professional Fees	6200	615.00	3,231.68	2,616.68
EMT/Paramedic Licensure Fees	6201	1,400.00	2,166.68	766.68
Rent & Leases (Equipment)	6250	8,269.03	11,800.00	3,530.97
Computer Software & Maintenance	6251	38,282.76	28,583.32	(9,699.44)
Website Development & Maintenance	6252	1,696.00	600.00	(1,096.00)
EPA ID# Verification Fee	6264	150.00	50.00	(100.00)
CCC HazMat Plan (CUPA)	6265	2,575.00	1,000.00	(1,575.00)
BAAQMD & Environmental Health Fees	6266	589.00	300.00	(289.00)
Air Monitor Maintenance & Replacement	6269	0.00	433.32	433.32
Maintenance -- Equipment	6270	11,443.78	17,500.04	6,056.26
Central Garage Repairs	6271	18,082.44	66,666.68	48,584.24
Central Garage Gasoline & Oil	6272	25,814.21	21,666.68	(4,147.53)
Central Garage Tires	6273	4,507.20	2,500.00	(2,007.20)
Service/Repair Fuel System Dispensers	6274	0.00	1,166.68	1,166.68
Aerial Ladder & Pump Testing	6275	0.00	333.32	333.32
Smog Inspections	6276	0.00	166.68	166.68
Air Compressor Quarterly Service	6278	1,109.77	500.00	(609.77)
Hydro Test SCBA & Oxy Cylinder	6279	0.00	833.32	833.32
Tank Testing	6280	0.00	333.32	333.32
Maintenance -- Building	6281	12,892.90	17,333.32	4,440.42
Maintenance -- Grounds	6282	470.37	2,133.32	1,662.95
Meetings & Travel Expenses	6303	193.67	458.32	264.65
Medical - Pre-Emp Processing and Annual Exams	6311	387.05	10,000.00	9,612.95
Ambulance Billing Administration Fees	6312	16,265.29	20,666.68	4,401.39
Outside Attorney Fees	6313	26,390.43	50,000.00	23,609.57
Outside CPR Instructors	6314	470.00	1,000.00	530.00
CCC County Tax Administration Fee	6316	0.00	63,333.32	63,333.32
Professional Services	6317	19,065.00	13,333.32	(5,731.68)



**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
50 - General Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
Professional Services - Labor Negotiator	6318	60,996.10	16,666.68	(44,329.42)
Professional Services - Technology	6319	58,098.00	82,770.68	24,672.68
Professional Services - Pre-Employment Investigations	6320	32.00	5,000.00	4,968.00
Professional Services - Promotional Exams & Recruitment	6321	636.60	7,000.00	6,363.40
Professional Services-OPEB Actuarial Valuation	6322	0.00	1,333.32	1,333.32
Exterior Hazard Removal	6323	14,689.13	8,333.32	(6,355.81)
Professional Services-Prop Tax Audit & Forecasting	6326	1,575.00	4,200.00	2,625.00
Professional Services	6327	0.00	4,666.68	4,666.68
Burn Trailer Grant Maintenance	6352	0.00	1,166.68	1,166.68
Testing Materials & Training Props	6354	64.36	4,000.00	3,935.64
Career Development Classes	6357	745.57	5,000.00	4,254.43
Target Safety Online Training	6359	2,720.00	2,166.68	(553.32)
Training & Education Classes-Paramedic & EMT CE	6360	593.33	1,666.68	1,073.35
District Sponsored Training-Mandated	6361	0.00	11,666.68	11,666.68
Election Expense	6465	0.00	7,333.32	7,333.32
Recruiting Costs	6470	3,334.00	25,000.00	21,666.00
Strike Team Supplies	6474	11,196.10	1,500.00	(9,696.10)
Community Emergency Response Team	6475	(769.00)	2,166.68	2,935.68
Exercise Supplies/Maint.	6476	30.33	1,666.68	1,636.35
Recognition Supplies	6478	(2.16)	1,666.68	1,668.84
Other Special Departmental Exp	6479	823.90	21,783.36	20,959.46
Public Education Supplies	6480	782.59	1,000.00	217.41
CPR Supplies	6481	317.95	1,000.00	682.05
LAFCO	6482	11,623.56	4,000.00	(7,623.56)
Emergency Preparedness Expense	6484	5,982.15	7,500.00	1,517.85
Misc. Services & Supplies	6490	10,402.75	10,000.00	(402.75)
Fire Chief Contingency	6491	5,909.09	33,333.32	27,424.23
Property & Liability Insurance	6540	55,621.00	16,000.00	(39,621.00)
<b>Total Operating Expense</b>		<b>568,136.45</b>	<b>861,860.88</b>	<b>293,724.43</b>
<b>Other Expense</b>				
Bank Fees	7510	2,056.94	1,100.00	(956.94)
Interest on County Teeter Account	7520	0.00	16.68	16.68
County Tax Collection Fees	7530	0.00	100.00	100.00
Transfers to Debt Service Fund	7999	161,794.63	361,666.68	199,872.05
<b>Total Other Expense</b>		<b>163,851.57</b>	<b>362,883.36</b>	<b>199,031.79</b>
<b>Total Expenditures</b>		<b>7,076,562.24</b>	<b>8,153,112.96</b>	<b>1,076,550.72</b>

**Moraga-Orinda Fire District**  
 Statement of Revenues and Expenditures  
 50 - General Fund  
 From 7/1/2018 Through 10/31/2018

	Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
Excess of Revenues Over/ (Under) Expenditures	<del>13,594,577.15</del>	<del>57,006.72</del>	<del>13,537,570.43</del>

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures  
90 - Debt Service Fund  
From 7/1/2018 Through 10/31/2018

		Current Period Actual	Prorated Monthly Budget	Prorated Monthly Variance
<b>Revenue</b>				
<b>Taxes</b>				
Property Tax-Current Secured	4010	3,543,473.00	1,181,157.68	2,362,315.32
Total Taxes		3,543,473.00	1,181,157.68	2,362,315.32
<b>Use of Money &amp; Property</b>				
Investment Earnings	4181	28.15	1,666.68	(1,638.53)
Total Use of Money & Property		28.15	1,666.68	(1,638.53)
<b>Other Revenue</b>				
Transfers In	4999	161,794.63	337,271.32	(175,476.69)
Total Other Revenue		161,794.63	337,271.32	(175,476.69)
Total Revenue		3,705,295.78	1,520,095.68	2,185,200.10
<b>Expenditures</b>				
<b>Other Expense</b>				
Pension Obligation Bond Principal Payment	7900	2,640,000.00	880,000.00	(1,760,000.00)
Pension Obligation Bond Interest Payment	7901	368,140.50	222,459.00	(145,681.50)
Apparatus Lease Principal Payment	7902	0.00	215,514.00	215,514.00
Apparatus Lease Interest Payment	7903	0.00	14,642.32	14,642.32
Lease Agreement Station 43 Principal	7906	123,000.00	81,666.68	(41,333.32)
Lease Agreement Station 43 Interest	7907	38,794.63	25,448.32	(13,346.31)
Transfers to Other Funds	7997	542.43	0.00	(542.43)
Total Other Expense		3,170,477.56	1,439,730.32	(1,730,747.24)
Total Expenditures		3,170,477.56	1,439,730.32	(1,730,747.24)
Excess of Revenues Over/ (Under) Expenditures		534,818.22	80,365.36	454,452.86



# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** David Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 7.5 – Declare Surplus Vehicle and Authorize Staff to Dispose of the Surplus Item

---

## **BACKGROUND**

In 1999, the District entered into an agreement with Saint Mary's College of California to purchase a 2000 Spartan Fire Truck, named "The Spirit of Saint Mary's". The cost of The Spirit of Saint Mary's was donated by Saint Mary's College. This partnership served the District well for many years and helped the District deploy a needed fire truck throughout the community.

Since 1999 the District's response needs have changed. In 2018 the District deployed a new fire truck. As a result, there is no longer an operational need to maintain The Spirit of Saint Mary's.

Per the agreement, the District would use The Spirit of Saint Mary's until 2021. Staff met with Saint Mary's College and obtained a side letter of agreement (Attachment A) that authorizes the District to dispose of the fire truck now.

District Policy requires Board approval for the disposal of capital assets. The following capital asset has been determined to be surplus:

- 2000 Spartan Fire Truck - The Spirit of Saint Mary's

## **RECOMMENDATION**

- 1) Declare the 2000 Spartan Fire Truck surplus and authorize staff to dispose of the surplus item.

## **ATTACHMENTS**

- 1) Attachment A – Side Letter of Agreement Between the Moraga-Orinda Fire District and Saint Mary's College of California for the Disposition of Fire Apparatus

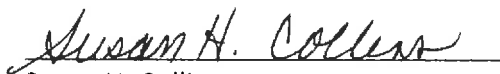
**SIDE LETTER OF AGREEMENT BETWEEN THE  
MORAGA-ORINDA FIRE DISTRICT  
AND SAINT MARY'S COLLEGE OF CALIFORNIA  
FOR THE DISPOSITION OF FIRE APPARATUS**

On October 26, 1999, the Moraga-Orinda Fire District (District) entered into an agreement with Saint Mary's College for the purpose of confirming a monetary contribution by Saint Mary's College of California to the District for the acquisition and use of a fire apparatus. Saint Mary's College of California contributed \$650,000 to the District and in exchange the District purchased a 2000 Spartan Fire Truck. Per the 1999 agreement, the District agreed to use the fire truck to service fires and other emergencies in the District and permanently house and maintain the fire truck for a period of 20 years. The 20-year period ends in 2021.

In 2018 the District placed into service a new fire truck. As a result, there is no operational need to maintain the 2000 Spartan Fire Truck.


This side letter of agreement confirms that Saint Mary's College of California authorizes the District to dispose of the 2000 Spartan Fire Truck prior to the completion of the 20-year period referenced in the original agreement. Disposal of the 2000 Spartan Fire Truck is subject to approval of the Board of Directors of the District.

For Saint Mary's College

  
\_\_\_\_\_  
Susan H. Collins  
Vice President for Finance and Administration

Dated: 11/6/18

For Moraga-Orinda Fire District

  
\_\_\_\_\_  
David Winnacker  
Fire Chief

Dated: 11/13/18



# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** Dave Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 8.1 – Review of Standing and Ad Hoc Committees

---

## **BACKGROUND**

**The definition of a Standing Committee:** a committee of a legislative body, irrespective of their composition, which have either a continuing subject matter jurisdiction or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body. Even if comprised of less than a quorum of the governing body, a standing committee is subject to the Brown Act.

**The definition of an Ad Hoc Committee:** a temporary advisory committee composed solely of less than a quorum of the legislative body that serves a limited or single purpose, that is not perpetual, and that will be dissolved once its specific task is completed is not subject to the Brown Act.

The Board presently has one standing committee and five ad hoc committees:

1. Finance Committee – standing
2. Pension Review Ad Hoc Committee
3. Board of Directors and Fire Chief Roles & Responsibilities and Rules of Procedures Update Ad Hoc Committee
4. Audit Ad Hoc Committee
5. Long Range Financial Plan Ad Hoc Committee
6. Labor Negotiations Ad Hoc Committee

## **RECOMMENDATION**

- 1) Discuss; 2) Deliberate; 3) Approve and/or dissolve Standing and Ad Hoc Committees for 2019.



# Moraga-Orinda Fire District

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Dave Winnacker, Fire Chief

**DATE:** December 5, 2018

**SUBJECT:** Item 8.2 – Election of Board Officers and Appointment of Standing and Ad Hoc Committee Members and District Liaisons

---

### **BACKGROUND**

Per Resolution No. 11-03, each year the Board of Directors elects new officers and appoints standing and ad hoc committee members and District liaisons.

The Board officer positions are as follows:

President  
Vice President  
Secretary  
Treasurer

The Board presently has one standing committee and five ad hoc committees:

1. Finance Committee – standing
2. Pension Review Ad Hoc Committee
3. Board of Directors and Fire Chief Roles & Responsibilities and Rules of Procedures Update Ad Hoc Committee
4. Audit Ad Hoc Committee
5. Long Range Financial Plan Ad Hoc Committee
6. Labor Negotiations Ad Hoc Committee

Board Members act as District Liaisons to five outside agencies:

1. Contra Costa Special Districts Association
2. Contra Costa County Fire Boards and Commissioners Association
3. Local Agency Formation Committee
4. Orinda City Council
5. Moraga Town Council

### **RECOMMENDATION**

The Board of Directors should elect new board officers and appoint standing and ad hoc committee members and District liaisons to be effective immediately.

### **ATTACHMENTS**

- 1) Attachment A – List of Current Officers, Committee Members and District Liaisons

MORAGA-ORINDA FIRE DISTRICT  
 BOARD OFFICERS  
 FINANCE COMMITTEE MEMBERS  
 AND  
 DISTRICT LIASONS  
 As of 12/19/18

<b>OFFICERS</b>	<b>2018 OFFICERS</b>
President	Barber
Vice President	Jex
Secretary	Jorgens
Treasurer	Anderson
Director	Famulener
<b>STANDING COMMITTEE</b>	<b>2018 MEMBERS</b>
FINANCE COMMITTEE	Anderson
	Jorgens
<b>AD HOC COMMITTEES</b>	<b>2018 MEMBERS</b>
Pension Review Ad Hoc Committee	Barber & Jorgens
Board of Directors and Fire Chief Roles & Responsibilities and Rules of Procedures Update Ad Hoc Committee	Famulener & Jorgens
Audit Ad Hoc Committee	Famulener & Jorgens
Long Range Financial Plan Ad Hoc Committee	Jex
Labor Negotiations Ad Hoc Committee	Anderson & Jorgens
<b>AGENCY</b>	<b>2018 LIAISONS</b>
Contra Costa Special District's Association (CCSDA)	Anderson
Contra Costa County Fire Boards & Commissioners Association	Famulener
Local Agency Formation Committee (LAFCO)	Anderson
Orinda City Council	Jorgens
Moraga Town Council	Famulener





# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** Dave Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 8.3 – 2019 Regular Board Meeting Schedule

---

## **BACKGROUND**

The Board of Directors conducts Regular Board meetings on the first and third Wednesday of each month. Various other special meetings are scheduled throughout the year to address time sensitive District issues. The Regular Board Meeting Schedule for 2019 is as follows:

January	2, 16	July	3, 17
February	6, 20	August	7, 21
March	6, 20	September	4, 18
April	3, 17	October	2, 16
May	1, 15	November	6, 20
June	5, 19	December	4, 18

There are two dates that are near holidays: January 2 and July 3. If the Board prefers, an alternate Regular Board Meeting Schedule that changes these two meetings to the second Wednesday of the month is as follows:

January	9, 16	July	10, 17
February	6, 20	August	7, 21
March	6, 20	September	4, 18
April	3, 17	October	2, 16
May	1, 15	November	6, 20
June	5, 19	December	4, 18

## **RECOMMENDATION**

Staff recommends the Board approve a 2019 Regular Board Meeting Schedule.



# Moraga-Orinda Fire District

---

**TO:** Board of Directors  
**FROM:** Dave Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 8.4 – Approval of One Month Extension of District’s Payment of Enhanced Medical Insurance Contribution Rates

---

## **BACKGROUND**

The District is currently in negotiations in pursuit of successor Memoranda of Understanding with AFSCME Local 2700 and the Moraga Orinda Fire Chief Officers Association (MOFCOA). In 2016, the District entered into side letters of agreement with the employee organizations to provide enhanced medical insurance contributions. The side letters provided that on June 30, 2018, the enhanced medical insurance contributions “shall revert” to the previous lower contribution levels.

Previously the board approved extensions of the enhanced medical insurance contributions through December 31, 2018. In light of the status of negotiations, an extension of the enhanced medical insurance contributions for one additional month, through January 31, 2019 is appropriate. The terms of the side letter between the parties remain in full force and effect.

The approximate additional cost is \$1,900 and sufficient appropriations are available in the 2018/2019 Annual Operating Budget.

## **RECOMENDATION**

- 1) Discuss; 2) Deliberate; 3) Approve One Month Extension of District’s Payment of Enhanced Medical Insurance Contribution Rates



# Moraga-Orinda Fire District

**TO:** Board of Directors

**FROM:** Gloriann Sasser, Administrative Services Director

**DATE:** December 5, 2018

**SUBJECT:** Item 8.5 – Annual Audit and Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018

---

## **BACKGROUND**

Each year the District engages a certified public accountant to audit the financial statements of the District. The District's Administrative Services Division prepared the financial statements for the fiscal year ending June 30, 2018. The financial statements have been audited by Vavrinek, Trine, Day & Co., LLP (VTD.) In addition to the financial statement audit, VTD was engaged to prepare a required report on the District's Gann appropriations spending limit calculation and a letter to the Board required by professional accounting standards discussing their audit engagement and the procedures they performed. This report includes no audit findings.

Based upon the audit procedures performed, VTD has rendered their opinion that the District's financial statements present fairly the District's financial position at June 30, 2018, and the results of the governmental activities and the budgetary comparison information for the year then ended, in accordance with generally accepted accounting principles. This is generally referred to as a "clean" or "unqualified" audit opinion.

In addition to the audited financial statements, the District prepared a Comprehensive Annual Financial Report (CAFR) that is designed to meet the requirements of the Government Finance Officers Association (GFOA). The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The GFOA then recognizes individual governments that succeed in achieving this goal. This is the fourth year the District has participated in the CAFR Program.

The CAFR was presented to the board at the November 5, 2018 board meeting. The board directed changes to the CAFR which have been incorporated.

The CAFR was reviewed by the Audit Ad Hoc Committee in October 2018.

## **RECOMMENDATION**

- 1) Discuss; 2) Deliberate; 3) Approve the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018, the Independent Accountant's Report on Applying

Agreed-Upon Procedures for Appropriations Limit Calculation For the Year Ended June 30, 2018 and the Communication With Those Charged With Governance June 30, 2018.

**ATTACHMENTS**

- 1) Attachment A – Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018
- 2) Attachment B – Independent Accountant’s Report on Applying Agreed-Upon Procedures for Appropriations Limit Calculation For the Year Ended June 30, 2018
- 3) Attachment C – Communication With Those Charged With Governance June 30, 2018





# MORAGA-ORINDA FIRE PROTECTION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
MORAGA, CALIFORNIA



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MORAGA-ORINDA FIRE  
PROTECTION DISTRICT  
MORAGA, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
PREPARED BY THE ADMINISTRATIVE SERVICES DIVISION



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018**

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**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018**

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# MORAGA-ORINDA FIRE PROTECTION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT

## DIRECTORY OF OFFICIALS

### Board of Directors

Brad Barber  
President

John Jex  
Vice President

Craig Jorgens  
Secretary

Stephen Anderson  
Treasurer

Kathleen Famulener  
Director

### Principal Staff

David Winnacker  
Fire Chief

Felipe Barreto  
Battalion Chief

Grace Santos  
District Secretary/District Clerk

Jerry Lee  
Battalion Chief

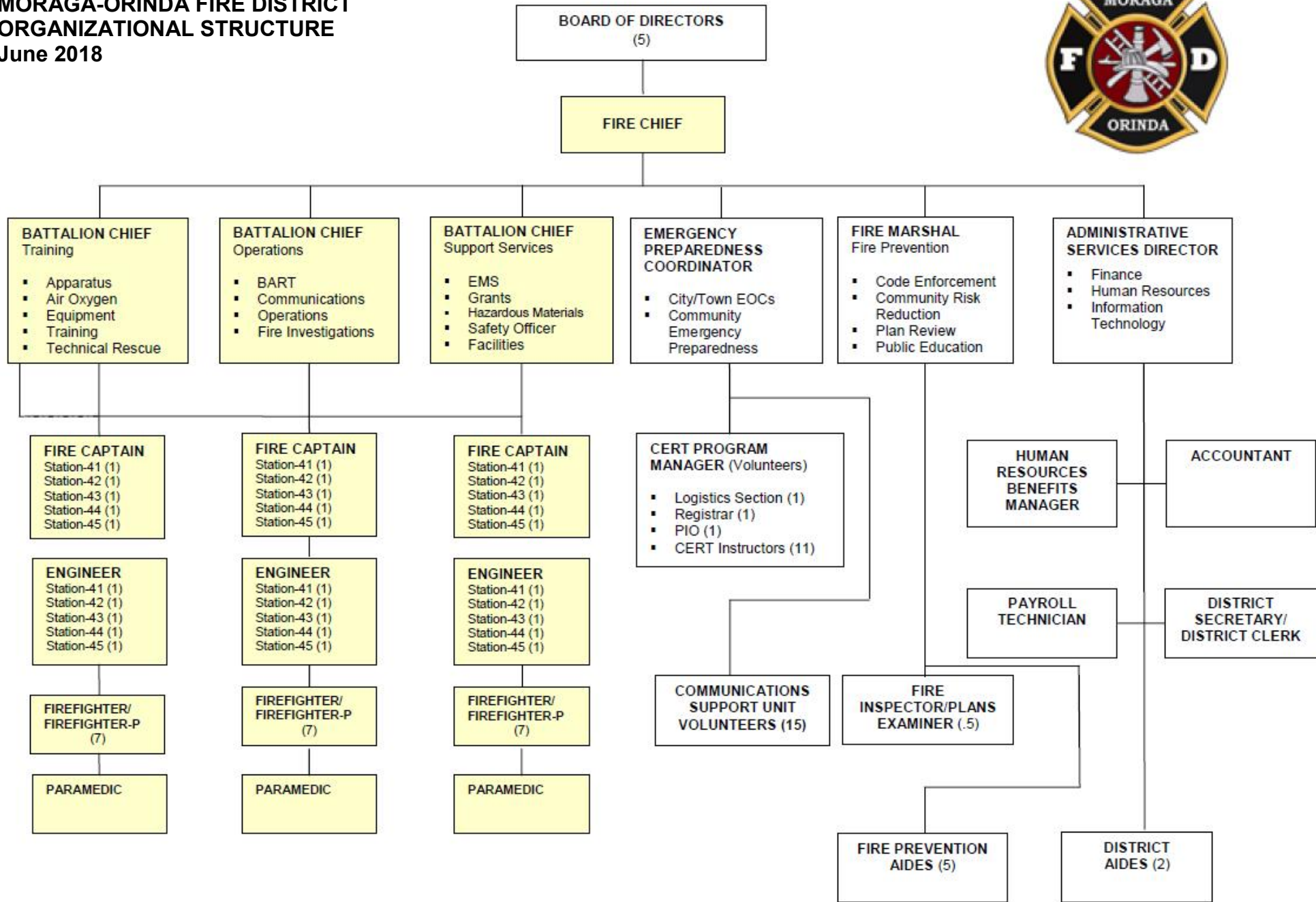
Kathy Leonard  
Fire Marshal

Sean Perkins  
Battalion Chief

Gloriann Sasser  
Administrative Services Director

Dennis Rein  
Emergency Preparedness Coordinator

**MORAGA-ORINDA FIRE DISTRICT  
ORGANIZATIONAL STRUCTURE  
June 2018**

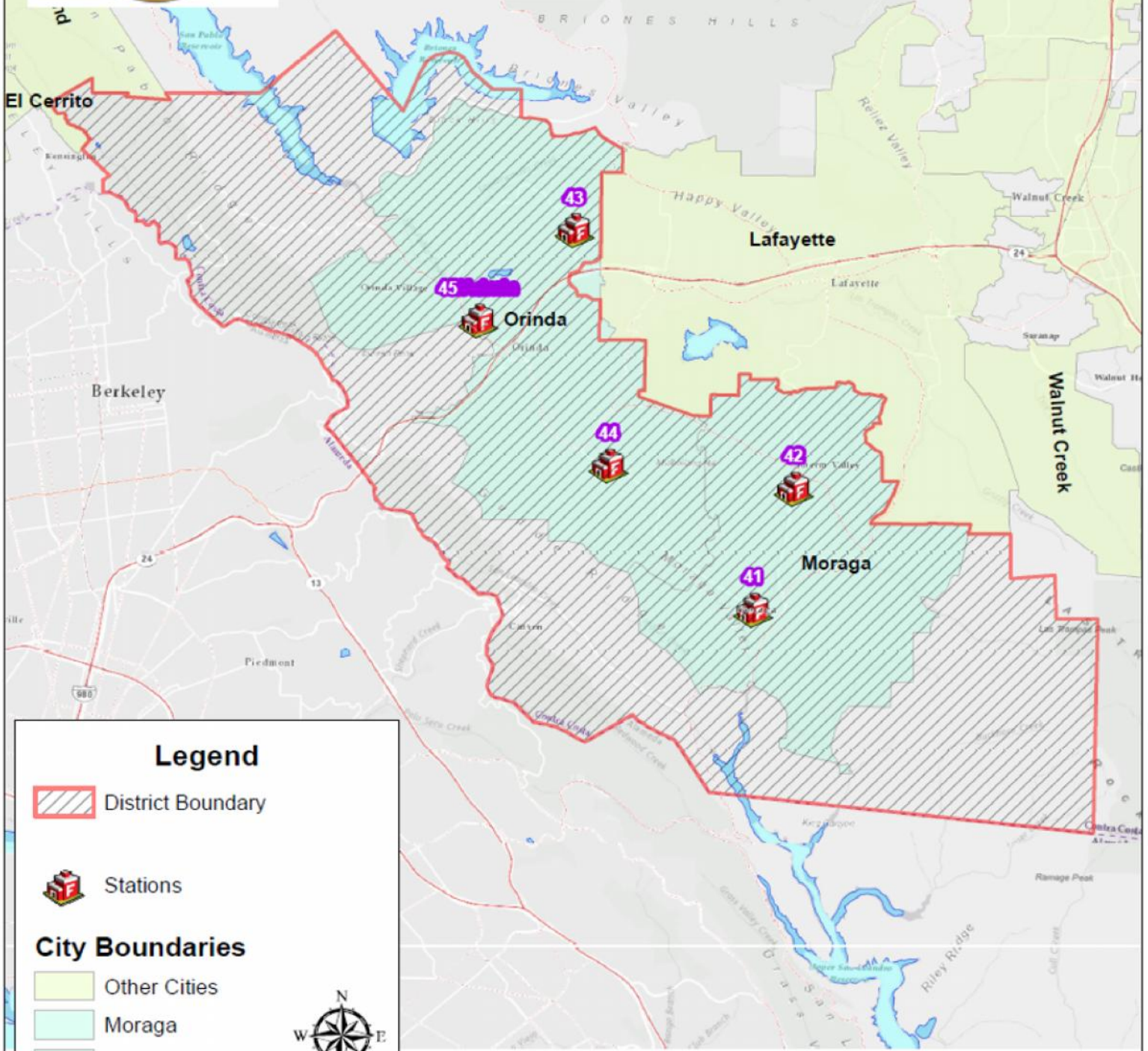






# Moraga-Orinda Fire Protection District

## Boundaries




### Legend


 District Boundary

 Stations

### City Boundaries

 Other Cities

 Moraga

 Orinda



0 0.5 1 2 3 4 Miles





## STATIONS & FACILITIES



ADMINISTRATION  
1280 Moraga Way, Moraga



STATION 41  
1280 Moraga Way, Moraga



STATION 42  
555 Moraga Road, Moraga



STATION 43  
20 Via Las Cruces, Orinda



STATION 44  
295 Orchard Road, Orinda



Station 45  
33 Orinda Way, Orinda



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Moraga-Orinda Fire Protection District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



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# Moraga-Orinda Fire District

---

October 17, 2018

Board of Directors  
Moraga-Orinda Fire Protection District  
1280 Moraga Way  
Moraga, CA 94556

Members of the Board:

We are pleased to present the Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This is the fifth CAFR prepared by the District.

This report has been prepared by the Administrative Services Division following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of the District.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report providing a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **The District**

The District is an autonomous Special District as defined under the Fire Protection District Law of 1987, Health and Safety Code, Section 13800, of the State of California. The District was formed in 1997, when over 80% of the voters affirmatively voted to form the District. The District is responsible for providing the highest level of emergency and non-emergency services to the community in an effort to protect life, the environment and property.

A five-member Board of Directors, elected by their constituents and each serving a four-year term, governs the District. The Directors meet twice a month to determine overall policy for the District. The Board Finance Committee also provided oversight this year.

The Fire Chief is the administrative and operational Chief Executive Officer of the District under the direction and control of the District Board. At present, the Fire Chief is supported by his executive staff, consisting of three Battalion Chiefs, the Fire Marshal, the Emergency Preparedness Coordinator and the Administrative Services Director.



The District has six divisions: Operations, Fire Prevention, Support Services, Training, Emergency Preparedness and Administrative Services. These divisions provide a full-range of services, including emergency and non-emergency services, fire prevention, emergency preparedness and public education. The District employs 70 personnel, in addition to approximately 30 volunteers including emergency and non-emergency services, fire prevention, emergency preparedness and public education.

The District maintains five Fire Stations and one Administration Office Building, all strategically located within the District. All five fire stations house paid firefighters. The District staffs seven companies, which includes five fire engines, one truck, two ambulances, one water tender and one command vehicle. All administrative personnel work at the Administration Office.

The District covers a broad geographic and population base consisting primarily of urban/suburban/semi-rural and rural service areas. Within the District, there are a wide variety of target hazards including portions of the Berkeley-Oakland Hills, several East Bay Regional Parks, three reservoirs, BART, the Caldecott Tunnel, Saint Mary's College, the City of Orinda, Town of Moraga and unincorporated areas of Contra Costa County.

Internal Control In developing and evaluating the District's accounting system, priority is given to the accuracy of internal accounting control. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the accuracy and reliability of accounting data and the adherence to prescribed managerial policy. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the cost-benefit analysis requires estimates and judgments by management.

Accounting System and Budgeting Controls The District's accounting and budgeting records for the basic financial statements in this report conform to generally accepted accounting principles (GAAP) according to standards established by the GASB.

The District maintains extensive budgetary controls. The District's Annual Budget, adopted prior to July 1, provides overall control of revenue and expenditures, including appropriations (budgeted expenditures) on a line item basis and the means of financing them (budgeted revenue). The District's accounting system produces monthly reports on expenditure activity that assist Division Managers to monitor activities and programs. These reports are also reviewed by the Accountant, Administrative Services Director and Fire Chief to assure budgetary compliance.

As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that an adequate control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District Finance staff.

Financial Policies In 2013 the District adopted the provisions of GASB 54 and established a Fund Balance Policy. As of June 30, 2018, unrestricted fund balance in the General Fund was 28% of budgeted General Fund revenue. The District cash balance with Contra Costa County drops to zero in the late fall every year as we employ the Teeter Plan for borrowing from Contra Costa County in anticipation of the cash payments for the current year's tax revenue.

Audit of Financial Statements The District contracts for an independent audit each year to provide reasonable assurance that its financial statements are free of material misstatements. This annual audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The District engaged the accounting firm of Vavrinek, Trine, Day & Co., LLP to perform the audit of its financial statements. The auditor has issued an unqualified opinion on the District's financial statements indicating they are fairly presented in conformity with GAAP.

Major Initiatives There were several major initiatives during the fiscal year:

- Fiscal Sustainability – The primary goal in 2017/18 was to continue to provide high level services, while at the same time to responsibly pay down long-term liabilities. This was accomplished while ensuring that ongoing spending was paid for with ongoing revenues. In addition, the District increased its reserve funds as directed by the Board.
- Station 43 - The District continued the rebuild of Station 43 in Orinda. Construction of the new station is expected to be complete in 2019.
- OPEB Trust Account – In 2015 the District established an Other Post-Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance obligations. The District continued to make the annual contribution to the trust account in the amount of \$374,000. The establishment of the account significantly reduces the District's net reported OPEB liability and strengthens the District's financial position. The contribution to the trust account does not actually reduce the liability itself but it allows the District to report a smaller liability because of governmental accounting reporting guidelines. The trust allows the District to set aside funds specially allocated to pay this obligation.
- Pension Rate Stabilization Fund – In 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to prefund pension costs. During FY 2017/18 the District contributed \$374,000 to the fund. The establishment of the account sets aside money to help the District properly manage volatile pension costs to fill the expected gap between payments required by CCCERA and set aside funds when they use a 7% rate of return assumption on their portfolio and the District board's 6.25% rate of return.
- Minimum Fund Balance – The District's unrestricted fund balance in the General Fund increased from 23% to 28% of budgeted General Fund revenue. In March 2018 the Board set a goal to maintain unrestricted fund balance in the General Fund of 50% of budgeted General Fund revenue as this would allow the District to have adequate cash balances to fund their operations without having to borrow from the County prior to the receipt of tax revenues after December of each year.

## **Awards**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Moraga-Orinda Fire Protection District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the third year that the District achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

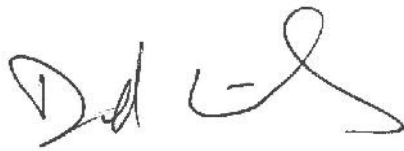
## Acknowledgements

The preparation of this report reflects the combined and dedicated effort of District staff, particularly in the Administrative Services Division. Staff in each division has our appreciation for their contributions in the preparation of this report.

Staff would also like to take this opportunity to recognize the Board of Directors for their continued support to maintain the highest standards of professionalism in the management of the District's finances.

The District remains committed to providing the highest level of emergency and public service in response to the needs of our community.

Sincerely,

A handwritten signature in black ink, appearing to read "David Winnacker". The signature is fluid and cursive, with a large loop at the end.

David Winnacker  
Fire Chief

A handwritten signature in black ink, appearing to read "Gloriann Sasser". The signature is cursive and somewhat stylized, with a long horizontal stroke at the end.

Gloriann Sasser, CPA  
Administrative Services Director



VAVRINEK, TRINE, DAY & CO., LLP  
Certified Public Accountants

VALUE THE *difference*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and District Board  
of the Moraga-Orinda Fire Protection District  
Moraga, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2018 and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability, the schedule of pension contributions, schedule of changes in net other postemployment benefits (OPEB) liability and schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying capital projects and debt service budgetary comparison schedules and the other supplementary information such as the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital projects and debt service budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital projects and debt service budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavreck, Tine, Day & Co. LLP

Palo Alto, California  
October 29, 2018



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

## Management's Discussion and Analysis

---

This section of the Moraga-Orinda Fire Protection District's (District) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2018. The Management's Discussion and Analysis (MD&A) describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets and long-term debt. The discussion concludes with a description of currently known facts, decisions and conditions that are expected to impact the financial position of the District's operations. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

### Annual Report Overview

This annual report consists of a series of financial statements. The District's basic financial statements are comprised of three components: Government-wide financial statements, Fund financial statements and Notes to the basic financial statements. This report also contains supplementary information and statistical data in addition to the basic financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* provide the reader with a longer-term view of the District's activities as a whole and comprise the Statement of Net Position and Statement of Activities. The manner of presentation is similar to a private-sector business.

The *Statement of Net Position* presents information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis. Over time, increases or decreases in net position is one indicator in monitoring the financial health of the District.

The *Statement of Activities* provides information about all the District's revenue and expenses on the full accrual basis, with the emphasis on measuring net revenues or expenses of each specific program. This statement explains in detail the change in Net Position for the year.

All of the District's activities in the government-wide financial statements are principally supported by general District revenues such as taxes or user-fee related charges such as ambulance services and inspection fees. The governmental activities reported in government-wide financial statements include general government activity, the fire protection and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements can be found on pages 12 and 13 of this report.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

## Management's Discussion and Analysis, Continued

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### Fund Financial Statements

The *fund financial statements* report the District's operations in more detail than the government-wide financial statements and focus primarily on the short-term activities of the District. The fund financial statements measure only current revenues and expenditures and fund balances; excluding capital assets, long-term debt and other long-term obligations.

The fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long term liabilities, are not presented in the fund financial statements. These financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship or differences between the government-wide and fund financial statements in a reconciliation following the fund financial statements.

The fund financial statements provide detailed information about each of the District's most significant funds, called Major Funds. The District's Major Funds are the General Fund, the Capital Projects Fund and the Debt Service Fund. The District currently has no non-major funds.

Comparisons of Budget and Actual financial information are presented for the General Fund.

### Notes to the Basic Financial Statements

The *notes* provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 22 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's liabilities related to pension and OPEB.

The budgetary comparison schedules are presented immediately following the required supplementary information.

### Government-wide Overall Financial Analysis

This analysis focuses on the net position and change in net position of the District's Governmental Activities. Over time, net position may serve as a useful indicator of a government's financial position. The District's net position is reported as follows:





**Moraga-Orinda Fire Protection District**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2018**

**Management's Discussion and Analysis, Continued**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Cash and investments	\$ 13,696,714	\$ 11,517,008
Restricted cash and investments	5,314,913	6,070,031
Other assets	933,200	942,145
Other restricted assets	700,449	300,000
Capital assets, net	<u>11,465,867</u>	<u>11,388,310</u>
Total assets	<u>32,111,143</u>	<u>30,217,494</u>
Deferred outflows of resources – pension plans	5,480,006	9,169,331
Deferred outflows of resources – OPEB	<u>199,062</u>	<u>-</u>
Total deferred outflows of resources	<u>5,679,068</u>	<u>9,169,331</u>
Current liabilities	6,284,976	4,791,771
Long-term liabilities	<u>55,893,047</u>	<u>68,424,606</u>
Total liabilities	<u>62,178,023</u>	<u>73,216,377</u>
Deferred inflows of resources – pension	12,334,901	8,767,541
Deferred inflows of resources – OPEB	<u>-</u>	<u>17,334</u>
Total deferred inflows of resources	<u>12,334,901</u>	<u>8,784,875</u>
Net Position:		
Net investment in capital assets	7,683,689	7,318,954
Restricted	3,317,901	2,955,444
Unrestricted (deficit)	<u>(47,724,303)</u>	<u>(52,888,825)</u>
Total net position	<u>\$ (36,722,713)</u>	<u>\$ (42,614,427)</u>

The District's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$36,722,713 as of June 30, 2018. A portion of the net position reflects its net investment in capital assets (land, buildings, improvements, equipment and vehicles). An additional portion of the District's net position of \$3,317,901 represents resources that are subject to external restrictions on how they may be used. The deferrals resulted from changes in assumptions, difference between expected and actual earnings on the plan and differences from experience for both, the OPEB and pension plans. These deferrals will recognized to pension and OPEB expense over a period up to five years.

The remaining balance of net position of (\$47,724,303) is a deficit and will reduce the District's ability to meet its ongoing obligations to its citizens and creditors. The District has a deficit unrestricted net position as of June 30, 2018 and 2017.

The following points explain the major changes impacting net position as shown above:

- Cash and investments increased \$2,179,706 from the prior year. This was primarily due to receipts that exceeded disbursements.
- Restricted cash and investments decreased by \$755,118 due to payments made for the Station 43 construction project.
- Other restricted assets increase by \$400,449 due to contributions to PARS.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2018**

**Management's Discussion and Analysis, Continued**

- Capital assets increased \$77,557 primarily due to the Station 43 construction project and purchase of new fire apparatus. In addition, an impairment was recorded in the amount of \$689,733 to the construction in progress.
- Deferred outflows of resources related to the pension and OPEB decreased \$3,490,243 due to the amortization of pension/OPEB related deferrals.
- Long-term liabilities decreased \$12,531,559 primarily due to a decrease in the net pension liability and payments of the debt.
- Deferred inflows of resources related to the pension and OPEB plans increased \$3,550,026 due to increase in deferrals related to change in experience and assumptions.
- Investment in capital assets increased \$364,735 primarily due to the additional capital assets that were purchased or constructed less the write off of the cost overruns for Station 43.
- Restricted net position includes property tax revenue held in a bond fund account for the payment of Taxable Pension Obligation Bonds, Series 2005 in the amount of \$3,008,656 less interest payable on the bonds in the amount of \$391,204. Funds for the Taxable Pension Obligation Bonds are held with the Trustee at Wells Fargo Bank.
- The District has \$47,724,303 of unrestricted net deficit as of June 30, 2018.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position. The narrative that follows describes the individual program expenses, program revenues and general revenues in more detail.

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
<b>Expenses</b>		
Fire protection - operations	\$ 21,012,014	\$ 19,005,152
Interest	825,941	996,870
Total expenses	<u>21,837,955</u>	<u>20,002,022</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	1,469,376	1,531,589
Operating grants and contributions	459,284	106,929
Total program revenues	<u>1,928,660</u>	<u>1,638,518</u>
General revenues:		
Property taxes	23,220,123	22,121,300
Fire flow taxes	1,080,597	1,076,738
Investment earnings	116,664	22,103
State and federal grants	154,528	156,429
Other revenues	1,229,097	599,199
Total general revenues	<u>25,801,009</u>	<u>23,975,769</u>
Change in net position	5,891,714	5,612,265
Net position - beginning, as restated	(42,614,427)	(48,226,692)
Net position - ending	<u>\$ (36,722,713)</u>	<u>\$ (42,614,427)</u>



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

## Management's Discussion and Analysis, Continued

---

### Expenses

Fire protection – operations expenses totaled \$21,012,014 for fiscal year 2017-2018. This was an increase from the prior year of \$2,006,862.

### Program Revenues

Program revenues classified as “Charges for Services” in the amount of \$1,469,376 include revenue for ambulance service fees, plan review fees, inspection fees, and public education class fees. Program revenues classified as “Operating Grants and Contributions” in the amount of \$459,284 include revenue from the State of California and Contra Costa County.

### General Revenues

The primary source of revenue for the operations of the District is generated through the collection of secured, unsecured and supplemental property taxes. The District utilized the Teeter Plan to borrow from Contra Costa County during part of the fiscal year. During the fiscal year, property tax revenue totaled \$23,220,123 and increased \$1,098,823 or 4.97%. In addition, the District collects a fire flow tax, which amounted to \$1,080,597 in 2017-2018. The other revenue category increase due to an increase in strike team revenues. The amounts collected this year were from the strike team was \$1,143,841 along with other revenue of \$85,256 totaling \$1,229,097.

### Government Activities – Governmental Funds

At June 30, 2018, the District's governmental funds reported combined fund balances of \$18,448,046. This is an increase of \$510,523 compared to the prior year. Unassigned fund balance of \$6,374,127 is available for spending at the District's discretion. The rest of the District's fund balance is either nonspendable, restricted or committed to indicate that it is 1) nonspendable for prepaid items \$16,443; 2) legally required to be maintained intact \$6,035,760; or 3) committed for particular purposes \$6,098,310.

### Analysis – General Fund

The General Fund is the chief operating fund of the District. During the current fiscal year, fund balance increased \$1,803,556. Unassigned fund balance at June 30, 2018, which is available for spending at the District's discretion, was \$6,297,533.

General Fund revenues increased \$1,825,354 or 8.61% over the prior fiscal year. Property tax revenue increased \$942,015 or 5.00% in the general fund. General Fund expenditures increased \$1,617,744 from the prior fiscal year. Salaries increased \$486,417 or 6.03% primarily due to a 6.9% salary increase during the fiscal year. Overtime increased \$545,195 or 24.82% due to the increase in position vacancies and increased participation on strike teams. Benefits and retirement contribution costs increased \$332,228 or 8.18% due to the salary increase (retirement costs are based on payroll.) Also, services and supplies expenditures increased \$97,860 or 4.54% primarily due to increased labor negotiator and attorney costs.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

## Management's Discussion and Analysis, Continued

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### Debt Service Fund

The Debt Service Fund, a major governmental fund, had an increase in fund balance during the current year of \$215,011 to bring the year end fund balance to \$3,008,656. The increase is due to the requirements of the District's Taxable Pension Obligation Bonds (bonds). The trust agreement for the bonds requires Contra Costa County to transfer property tax to the District's trustee in an amount sufficient to pay the District's bond obligations in the next calendar year. The District's bond obligations increased, resulting in an increase in fund balance during the current fiscal year.

The Debt Service Fund ending fund balance of \$3,008,656 is legally restricted and may only be used to meet the District's bond obligations.

### Capital Projects Fund

The Capital Projects Fund accounts for the Fire Flow Tax proceeds and related expenditures. The Fire Flow Tax Ordinance stipulates that the revenues raised by this tax are to be used solely for the purpose of obtaining, furnishing, operating, and maintaining fire protection, prevention and suppression and emergency medical equipment, apparatus or facilities, including water distribution facilities for fire suppression purposes, for paying the salaries and benefits of firefighting and emergency medical personnel, and for such other fire protection, prevention and suppression and emergency medical expenses as are deemed necessary by the District. This fund accounts for District capital asset purchases as well as miscellaneous tax collection fees.

The Capital Projects Fund had a decrease in fund balance during the current fiscal year in the amount of \$1,508,044. This was primarily due to expenditures that exceeded revenue due to the Station 43 construction project. The fund reports restricted fund balance of \$2,326,655 and committed fund balance of \$6,021,716 at fiscal year-end, which are available for capital projects.

### General Fund Budgetary Highlights

During the year, General Fund appropriations between the original and final amended budget increased due to revised projections during the mid-year budget review process. There were no significant variances between actual revenue or expenditures and the amended budget.

### Debt Administration

In 2005, the District issued Taxable Pension Obligation Bonds in the original principal amount of \$28,435,000. The bonds were issued to finance payment of the unfunded actuarial accrued pension liability. At the end of the fiscal year, total bonds outstanding were \$14,105,000. The District's bonds payable decreased \$2,360,000 during the fiscal year. The bonds are scheduled to be paid off on July 1, 2022. The average coupon rate is 5.22% and the terms of the agreement do not allow it to be prepaid. The District's lease purchase debt is decreased by \$789,617. The debt is discussed in Note 7.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

## Management's Discussion and Analysis, Continued

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### Capital Assets

As of June 30, 2018, the District's capital assets net of accumulated depreciation totaled \$11,465,867 which is an increase of \$77,557 over the capital assets net of accumulated depreciation at June 30, 2017. Capital assets include the District's entire major infrastructure incorporating land, fire stations and buildings, apparatus, vehicles, firefighting equipment and furniture.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at estimated fair market value on the date contributed. Capital assets with a value of \$5,000 or more are recorded as capital assets. All capital assets are depreciated over estimated useful lives, using the straight line method.

Significant capital asset activity during the current fiscal year included the following:

- The District continued the Station 43 rebuild project with construction in progress of \$1,147,610. This project is funded through a lease/purchase agreement issued in May 2016 in the amount of \$4,069,000. Additional funding will be required to fund cost overruns.

### Economic Outlook

The District continued to improve its financial condition during 2018/19. The District adopted a balanced budget for fiscal year 2018/19. Unassigned fund balance in the General Fund increased to \$6,297,533 at June 30, 2018, or 28% of budgeted General Fund revenue.

The District continued to address its unfunded liability for retiree health insurance. The District maintains an Other Post-Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance costs. During 2017/18 the District made the annual contribution to the trust account in the amount of \$374,000. The establishment of the account reduces the District's net reported OPEB liability and strengthens the District's financial position. The contribution to the trust account does not actually reduce the liability itself but it allows the District to report a smaller liability because of governmental accounting reporting guidelines. The trust allows the District to set aside funds specially allocated to pay this obligation. In addition, in order to control the OPEB unfunded liability, employee and retiree health insurance is capped at a fixed dollar amount with no future increases in existing labor agreements. For all new hires, retiree medical insurance is reduced to a required minimum amount. In order to fund this obligation, it will require increased annual contributions.



## Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018

### Management's Discussion and Analysis, Continued

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The volatility of pension costs is a significant financial challenge facing the District. The CCCERA pension payments are driven by increases and decreases in portfolio assets. When the fund underperforms they must increase the premium paid to cover the losses. The taxpayers currently guarantee the pension payments regardless of the performance of the investments. In order to mitigate this financial risk, in January 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to set aside additional money to prefund pension costs above and beyond what is required by the retirement association. During FY 2017/18 the District contributed \$374,000 to the fund. The balance in the account as of June 30, 2018 was \$700,449.

The District continues to monitor revenues, expenditures and overall financial condition while striving to maintain a high level of service to the community.

The District maintains a Long Range Financial Forecast to project anticipated revenues and expenditures for a 15-year period. The Forecast helps the District identify and anticipate future financial challenges.

The United States has historically experienced a recession every 7 to 9 years. The economy is currently 9 years into the recovery since the last recession, which ended in 2009. As a result of the last recession, the District experienced decreased property tax revenue and increased retirement costs. Prudent levels of fund balance reserves are necessary to help the District adjust when the next economic downturn occurs. The District adopted a requirement to maintain a 17% reserve in 2017 and the board has set a goal of increasing the reserve to 50% of revenue as a prudent hedge against future uncertainty and risks as well as providing adequate funding for current operations. Until the 50% goal is reached, the District does not have adequate cash balances to fund its operations during the first six months of a new fiscal year requiring it borrow from the County to fund its operations.

Currently, the District's general fund reserve level stands at approximately 25%, however, as a result of a new labor agreement with firefighters in October 2018, it is anticipated to drop below the 17% threshold over the next two years unless further action is taken to reduce expenses, curtail contributions to the Section 115 plan, or, if revenue increases from property taxes are greater than projected in its long range fiscal plan.

The District recognizes the volatility of future revenue and has developed the long range fiscal forecast using conservative estimates of revenue growth.

In summary, the District remains committed to providing the highest level of emergency and public service in response to the needs of our community within its financial constraints.

#### Financial Contact

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Questions about this Report should be directed to the Administrative Services Division, at 1280 Moraga Way, Moraga, CA 94556.





**Moraga-Orinda Fire Protection District**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>Current assets:</b>	
Cash and investments	\$ 13,696,714
Receivables, net	890,900
Prepaid items	16,443
Other assets	25,857
<b>Total current assets</b>	<u>14,629,914</u>
<b>Noncurrent assets:</b>	
Restricted cash and investments	5,314,913
Restricted pension trust assets	700,449
Capital assets, net	11,465,867
<b>Total noncurrent assets</b>	<u>17,481,229</u>
<b>Total assets</b>	<u>32,111,143</u>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources - pension plans	5,480,006
Deferred outflows of resources - OPEB	199,062
<b>Total deferred outflows</b>	<u>5,679,068</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 37,790,211</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	\$ 988,898
Salaries and benefits payable	1,208,332
Interest payable	391,204
Compensated absences - current portion	165,000
Current portion of long-term liabilities	3,531,542
<b>Total current liabilities</b>	<u>6,284,976</u>
<b>Noncurrent liabilities:</b>	
Compensated absences	382,457
Due after one year	16,682,291
Net OPEB liability	15,329,724
Net pension liability	23,498,575
<b>Total noncurrent liabilities</b>	<u>55,893,047</u>
<b>Total liabilities</b>	<u>62,178,023</u>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources - pension plans	12,334,901
<b>Total liabilities and deferred inflows of resources</b>	<u>74,512,924</u>
<b>Net position</b>	
Net investment in capital assets	7,683,689
Restricted for debt service	2,617,452
Restricted for pension benefits	700,449
Unrestricted (deficit)	(47,724,303)
<b>Total net position</b>	<u>(36,722,713)</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 37,790,211</u>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Statement of Activities**  
**For the year ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental activities:</b>				
Fire protection - operations	\$21,012,014	\$ 1,469,376	\$ 459,284	\$ (19,083,354)
Interest on long-term debt	825,941	-	-	(825,941)
<b>Total governmental activities</b>	<b>\$21,837,955</b>	<b>\$ 1,469,376</b>	<b>\$ 459,284</b>	<b>(19,909,295)</b>
General revenues:				
Taxes:				
Property taxes				23,220,123
Fire flow taxes				1,080,597
Investment earnings				116,664
State and federal grants				154,528
Other revenues				1,229,097
Total general revenues				<u>25,801,009</u>
Change in net position				5,891,714
Net position:				
Net position - beginning				<u>(42,614,427)</u>
Net position - ending				<u>\$ (36,722,713)</u>

The accompanying notes are an integral part of these basic financial statements.





**Moraga-Orinda Fire Protection District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>ASSETS</b>				
Cash and investments	\$7,029,803	\$ -	\$6,666,911	\$13,696,714
Restricted cash and investments	-	2,988,258	2,326,655	5,314,913
Receivables:				
Taxes	205,235	-	-	205,235
Interest	42,821	20,398	7,402	70,621
Ambulance billing, net	377,311	-	-	377,311
Other receivable	234,907	-	2,826	237,733
Prepaid items	16,443	-	-	16,443
Other assets	25,857	-	-	25,857
Restricted pension trust assets	700,449	-	-	700,449
<b>Total assets</b>	<b><u>\$8,632,826</u></b>	<b><u>\$3,008,656</u></b>	<b><u>\$9,003,794</u></b>	<b><u>\$20,645,276</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 333,475	\$ -	\$ 655,423	\$ 988,898
Salaries and benefits payable	1,208,332	-	-	1,208,332
<b>Total liabilities</b>	<b><u>1,541,807</u></b>	<b><u>-</u></b>	<b><u>655,423</u></b>	<b><u>2,197,230</u></b>
<b>Fund balances:</b>				
Nonspendable for prepaid items	16,443	-	-	16,443
Restricted for debt service	-	3,008,656	-	3,008,656
Restricted for capital projects	-	-	2,326,655	2,326,655
Restricted for pension benefits	700,449	-	-	700,449
Committed for capital projects	-	-	6,021,716	6,021,716
Committed for benefits	76,594	-	-	76,594
Unassigned	6,297,533	-	-	6,297,533
<b>Total fund balances</b>	<b><u>7,091,019</u></b>	<b><u>3,008,656</u></b>	<b><u>8,348,371</u></b>	<b><u>18,448,046</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$8,632,826</u></b>	<b><u>\$3,008,656</u></b>	<b><u>\$9,003,794</u></b>	<b><u>\$20,645,276</u></b>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2018**

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**Total fund balances reported on the governmental funds balance sheet**    \$ 18,448,046

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds due to the following:

Capital assets amount reported in governmental activities are not current assets or financial resources and therefore are not reported in the Governmental Funds balance sheet. 11,465,867

OPEB liabilities result in deferred inflows and pension liabilities result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities.

Deferred outflows	5,679,068	
Deferred inflows	<u>(12,334,901)</u>	(6,655,833)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds balance sheet.

Interest payable	(391,204)	
Net pension liabilities	(23,498,575)	
Compensated absences	(547,457)	
Net OPEB liabilities	(15,329,724)	
Long term debt	<u>(20,213,833)</u>	<u>(59,980,793)</u>

**Net position of governmental activities** \$ (36,722,713)

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of Fund Basis Balance Sheet to Government-wide**  
**Statement of Net Position, Governmental Activities**  
**For the Year June 30, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Total Governmental Funds		Changes in GAAP	Statement of Net Position
	Balance Sheet	Reclass		
<b>Current assets:</b>				
Cash and investments	\$ 13,696,714	\$ -	\$ -	\$ 13,696,714
Receivables (net)	890,900	-	-	890,900
Prepaid items	16,443	-	-	16,443
Other assets	25,857	-	-	25,857
<b>Total current assets</b>	<b>14,629,914</b>	<b>-</b>	<b>-</b>	<b>14,629,914</b>
<b>Noncurrent assets:</b>				
Restricted cash and investments	5,314,913	-	-	5,314,913
Other restricted assets	700,449	-	-	700,449
Capital assets, net	-	-	11,465,867	11,465,867
<b>Total noncurrent assets</b>	<b>6,015,362</b>	<b>-</b>	<b>11,465,867</b>	<b>17,481,229</b>
<b>Total assets</b>	<b>20,645,276</b>	<b>-</b>	<b>11,465,867</b>	<b>32,111,143</b>
<b>Deferred outflows of resources:</b>				
Deferred outflows of resources - pension	-	-	5,480,006	5,480,006
Deferred outflows of resources - OPEB	-	-	199,062	199,062
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>5,679,068</b>	<b>5,679,068</b>
<b>Total assets and deferred outflows</b>	<b>\$ 20,645,276</b>	<b>\$ -</b>	<b>\$ 17,144,935</b>	<b>\$ 37,790,211</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$ 988,898	\$ -	\$ -	\$ 988,898
Salaries and benefits payable	1,208,332	-	-	1,208,332
Interest payable	-	-	391,204	391,204
Compensated absences	-	-	165,000	165,000
Current portion of long-term liabilities	-	-	3,531,542	3,531,542
<b>Total current liabilities</b>	<b>2,197,230</b>	<b>-</b>	<b>4,087,746</b>	<b>6,284,976</b>
<b>Noncurrent liabilities:</b>				
Net pension liabilities	-	-	23,498,575	23,498,575
Compensated absences	-	-	382,457	382,457
Net OPEB liabilities	-	-	15,329,724	15,329,724
Due after one year	-	-	16,682,291	16,682,291
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>55,893,047</b>	<b>55,893,047</b>
<b>Total liabilities</b>	<b>2,197,230</b>	<b>-</b>	<b>59,980,793</b>	<b>62,178,023</b>
<b>Deferred inflows of resources:</b>				
Pension related	-	-	12,334,901	12,334,901
<b>Fund balances:</b>				
Nonspendable	16,443	(16,443)	-	-
Restricted	6,035,760	(6,035,760)	-	-
Committed	6,021,716	(6,021,716)	-	-
Unassigned	6,297,533	(6,297,533)	-	-
<b>Net position:</b>				
Net investment in capital assets	-	2,326,655	5,357,034	7,683,689
Restricted	-	3,317,901	-	3,317,901
Unrestricted	-	12,803,490	(60,527,793)	(47,724,303)
<b>Total fund balances/net position</b>	<b>18,448,046</b>	<b>-</b>	<b>(55,170,759)</b>	<b>(36,722,713)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 20,645,276</b>	<b>\$ -</b>	<b>\$ 17,144,935</b>	<b>\$ 37,790,211</b>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances, Governmental Funds**  
**For the year ended June 30, 2018**

	<u>Major Funds</u>			<b>Total Governmental Funds</b>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>REVENUES:</b>				
Property taxes	\$ 19,843,842	\$ 3,376,281	\$ -	\$ 23,220,123
Fire flow taxes	-	-	1,080,597	1,080,597
Use of money and property	90,725	1,083	24,856	116,664
Intergovernmental	434,696	-	179,116	613,812
Charges for services	348,691	-	38,000	386,691
Charges for services - ambulance	1,082,685	-	-	1,082,685
Other revenues	1,229,097	-	-	1,229,097
<b>Total revenues</b>	<u>23,029,736</u>	<u>3,377,364</u>	<u>1,322,569</u>	<u>27,729,669</u>
<b>EXPENDITURES:</b>				
Fire protection:				
Salaries	8,551,976	-	-	8,551,976
Overtime	2,741,777	-	-	2,741,777
Benefits	6,490,030	-	-	6,490,030
OPEB contribution	374,000	-	-	374,000
Retiree health insurance	821,299	-	-	821,299
Service and supplies	2,251,574	-	310,055	2,561,629
Capital outlay	-	-	1,575,234	1,575,234
Debt service:				
Principal	-	3,234,500	-	3,234,500
Interest and fiscal charges	-	935,347	-	935,347
<b>Total expenditures</b>	<u>21,230,656</u>	<u>4,169,847</u>	<u>1,885,289</u>	<u>27,285,792</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,799,080</u>	<u>(792,483)</u>	<u>(562,720)</u>	<u>443,877</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Proceeds from sales of capital assets	-	-	66,646	66,646
Transfers in	4,476	1,011,970	-	1,016,446
Transfers out	-	(4,476)	(1,011,970)	(1,016,446)
<b>Total other financing sources</b>	<u>4,476</u>	<u>1,007,494</u>	<u>(945,324)</u>	<u>66,646</u>
<b>Net change in fund balances</b>	<u>1,803,556</u>	<u>215,011</u>	<u>(1,508,044)</u>	<u>510,523</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>5,287,463</u>	<u>2,793,645</u>	<u>9,856,415</u>	<u>17,937,523</u>
End of year	<u>\$ 7,091,019</u>	<u>\$ 3,008,656</u>	<u>\$ 8,348,371</u>	<u>\$ 18,448,046</u>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the year ended June 30, 2018**

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**Net change in fund balances - total governmental funds** **\$ 510,523**

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:

Capital asset purchases capitalized	1,575,478	
Depreciation expense	(720,990)	
Loss on sale or disposal of capital assets	<u>(776,931)</u>	77,557

Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long term liabilities:

Repayment of Pension liabilities bond principal	2,360,000	
Repayment of capital lease liabilities	<u>874,500</u>	3,234,500

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in net pension liability and deferrals	1,814,653	
Change in long-term compensated absences	35,286	
Change in interest payable	109,406	
Change in Net OPEB liabilities and deferrals	<u>109,789</u>	<u>2,069,134</u>

**Change in net position of governmental activities** **\$ 5,891,714**

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of Total Expenditures Reported on the Governmental**  
**Funds to Expenses Reported on the Statement of Activities**  
**For the year ended June 30, 2018**

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<u>Functions/Programs</u>	<u>Total Expenditures Reported on the Governmental Funds</u>	<u>Debt Service/ Compensated Absences</u>	<u>Depreciation</u>
<b>Governmental activities:</b>			
Fire protection - operations	\$ 21,540,711	\$ (35,286)	\$ 720,990
Capital outlay	1,575,234	-	-
Debt service/interest expense	<u>4,169,847</u>	<u>(3,343,906)</u>	<u>-</u>
<b>Total governmental activities</b>	<b>\$ 27,285,792</b>	<b>\$ (3,379,192)</b>	<b>\$ 720,990</b>

The accompanying notes are an integral part of these basic financial statements.

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<b>Capital Asset (Additions)/ Retirements</b>	<b>OPEB</b>	<b>Pension</b>	<b>Total Expenses Reported on the Statement of Activities</b>
\$ 710,041	\$ (109,789)	\$ (1,814,653)	\$ 21,012,014
(1,575,234)	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>825,941</u>
<u>\$ (865,193)</u>	<u>\$ (109,789)</u>	<u>\$ (1,814,653)</u>	<u>\$ 21,837,955</u>



**Moraga-Orinda Fire Protection District**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances – Budget to Actual – General Fund**  
**For the year ended June 30, 2018**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Positive (Negative)</u>
<b>REVENUES:</b>				
Property taxes	\$ 19,671,559	\$ 19,673,846	\$ 19,843,842	\$ 169,996
Use of money and property	3,000	10,000	90,725	80,725
Intergovernmental	250,214	454,786	434,696	(20,090)
Charges for services	298,321	318,500	348,691	30,191
Charges for services - ambulance	1,024,314	1,043,570	1,082,685	39,115
Other revenues	551,000	1,034,984	1,229,097	194,113
<b>Total revenues</b>	<u>21,798,408</u>	<u>22,535,686</u>	<u>23,029,736</u>	<u>494,050</u>
<b>EXPENDITURES:</b>				
Fire protection:				
Salaries	8,839,385	8,821,680	8,551,976	269,704
Overtime	2,245,000	2,658,367	2,741,777	(83,410)
Benefits	6,657,623	6,739,748	6,490,030	249,718
OPEB contribution	280,000	374,000	374,000	-
Pension rate stabilization fund	280,000	374,000	-	374,000
Retiree health insurance	849,000	860,000	821,299	38,701
Service and supplies	2,146,943	2,351,025	2,251,574	99,451
<b>Total expenditures</b>	<u>21,297,951</u>	<u>22,178,820</u>	<u>21,230,656</u>	<u>948,164</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>500,457</u>	<u>356,866</u>	<u>1,799,080</u>	<u>1,442,214</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	4,476	4,476	-
<b>Total other financing sources</b>	<u>-</u>	<u>4,476</u>	<u>4,476</u>	<u>-</u>
<b>Net change in fund balances</b>	500,457	361,342	1,803,556	1,442,214
<b>FUND BALANCES:</b>				
Beginning of year	5,287,463	5,287,463	5,287,463	-
End of year	<u>\$ 5,787,920</u>	<u>\$ 5,648,805</u>	<u>\$ 7,091,019</u>	<u>\$ 1,442,214</u>

The accompanying notes are an integral part of these basic financial statements.





# Moraga-Orinda Fire Protection District

## Comprehensive Annual Financial Report

### Notes to Basic Financial Statements

For the year ended June 30, 2018

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

##### A. Description of the Reporting Entity

The Moraga-Orinda Fire Protection District (District) was incorporated on July 1, 1997 as an independent special district, under the laws and regulations of the State of California (State). The District was formed through the consolidation of the Moraga Fire Protection District and the Orinda Fire Protection District, to provide more efficient fire protection and emergency medical services. The principal act that governs the District is the Fire Protection District Law of 1987.

The District provides fire protection, rescue, and emergency medical services to an area approximately 63 square miles, including the City of Orinda, the Town of Moraga, some unincorporated county areas adjacent to the municipalities, and the community of Canyon. The District also provides automatic aid into Lafayette and State Responsibility Areas that lie within the District's boundaries. A five member board of directors, elected by voters, governs the District.

As required by GAAP, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. Separate financial statements are not issued for this component unit.

The District's reporting entity includes the following blended component unit:

The Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Corporation) was established to provide for financing of public capital improvements for the District, the Corporation and other local agencies. The Board of Directors serve as the Governing Board of the Corporation and all accounting and administrative functions are performed by the District, which records all activity of the Corporation as a blended component unit.

##### B. Basis of Presentation

###### *Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The District had no business-type activities reported.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Amounts reported as *program revenues* include 1) charges to residents for fire protection services, or privileges provided by a given function or segment 2) grants and contributions for fire protection services. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows, fund balances, revenues, and expenditures.

The District reports the following major governmental funds:

- General Fund
- Debt Service Fund
- Capital Projects Fund

These funds are described below.

**Governmental Funds**

*General Fund*

The General Fund is the general operating fund of the District. It is used to account for the District's resources which are not required legally or by sound financial management to be accounted for in another fund. The major revenue sources for this fund are property taxes and ambulance service fees. Expenditures are made for the District's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

*Debt Service Fund*

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Resources are provided by property tax revenue.

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources used for the replacement of fire-fighting equipment, software and equipment, apparatus, building upgrades, acquisition and construction of major capital projects. Resources are provided by the fire flow tax and proceeds from debt issuance.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, or other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year end).

**D. Cash Deposits and Investments**

The District's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. The District currently reports no interfund balances, including receivables and payables at year-end.

**F. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, fire flow taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, receivables in governmental funds include revenue accruals such as property tax, fire flow tax, and intergovernmental subventions since they are usually both measurable and available.

The District estimates and records an allowance for doubtful accounts based on prior experience. The District’s allowance for ambulance receivables was \$44,186 as of June 30, 2018.

**G. Prepaid Items**

Prepaid items represent amounts paid in advance of receiving goods or services. The District has the option of reporting an item in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

**H. Capital Assets**

The District’s capital assets are valued at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 and with a useful life greater than one year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful life using the straight-line method of depreciation.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Vehicles	10-25 years
Equipment	5-15 years

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for its pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its pension plan and OPEB plan.

**J. Compensated Absences**

Employees accrue vacation, sick, holiday, administrative leave and compensatory time off benefits. District employees have vested interests in the amount of accrued time off, with the exception of sick leave and administrative leave, and are paid on termination. Also, annually some employees may elect to be compensated for up to 80 hours of unused vacation leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The District had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is used to liquidate compensated absences.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**K. Pensions**

The District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the Contra Costa County Employees' Retirement Association (CCCERA). The net pension liability is measured as of the District's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred. For the purposes of measuring the net pension liability, deferred outflows, deferred inflows of resources related to pensions and pension expense information about the fiduciary net position of the District's defined benefit pension plan, and additions to/ deductions from fiduciary net position have been determined on the same basis as they are reported by CCCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**L. Net Position/Fund Balance**

*Government-wide Statements*

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. The classifications for governmental funds are defined as follows by the District's Fund Balance Policy:





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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Nonspendable Fund Balance***

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance***

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation.

***Committed Fund Balance***

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Board) that requires formal action at the same level to remove.
- Board Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.
- Fund balance derived from the Fire Flow Tax is committed to pay for District capital improvement projects as approved by the Board of Directors. The amount is equal to the fund balance of the Capital Projects fund.

***Assigned Fund Balance***

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the District's Fire Chief or Administrative Services Director through its fund balance policy.

***Unassigned Fund Balance***

- Residual net resources.
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted and committed fund balance over total fund balance (deficit).



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Fund Balance Policy***

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its District funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District had an unassigned fund balance of 28% of revenue and has not achieved the fund balance it needs to support sound financial position which is a target of 50% reserves to achieve that goal.

**M. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**N. Property Tax**

The County of Contra Costa is responsible for assessing, collecting and apportioning property taxes for the District. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The District recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.





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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The District participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to taxing agencies each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to the County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by the County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter plan funding. The Teeter Plan does not allow the District to earn interest in a meaningful way on its reserves and the District has an objective to develop reserves to allow it to earn interest and go off the teeter plan.

**O. Fire Flow Taxes**

Fire flow taxes represent a special tax on property on the secured tax roll, collected by the District since its inception in 1997. The fire flow taxes are collected in each of the District's two service zones for the purpose of obtaining, furnishing, operating, and maintaining fire protection, prevention and suppression and emergency medical equipment, apparatus or facilities, including water distribution facilities for fire suppression purposes, for paying the salaries and benefits of firefighting and emergency medical personnel, and for such other fire protection, prevention and suppression and emergency medical expenses as are deemed necessary by the District. For fiscal year 2017-2018, the fire flow tax rate was established at six cents (\$0.06) in Moraga, and six cents (\$0.06) in Orinda.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**P. Budgetary Accounting**

The District Board of Directors establishes budgets for the General Fund, Debt Service Fund and Capital Projects Fund. Budgetary control is legally maintained at the fund level for these funds. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues.) The coordinators of the Budget are the Fire Chief, Administrative Services Director or designee(s), with direct support from each division in the District.

Budget development begins with a mid-year Budget review in January or during a month selected by the Fire Chief. The mid-year review is a detailed analysis of District revenue and expenditure line items for the current fiscal year. The District fiscal year is from July 1 through June 30 of the next calendar year. The mid-year review is published and distributed to the Board, staff and general public for consideration during the month of January or during a month selected by the Fire Chief. The mid-year financial analysis provides the starting point for next fiscal year's Budget.

Administrators receive a written Budget Packet and a written Budget Timeline in February that provides detailed instructions and deadlines for the Budget process. Administrators meet with the Fire Chief or designated representative and submit the following for the next fiscal year: 1) goals and objectives, 2) preliminary Budget requests, 3) personnel requests and 4) capital equipment requests. During this time, revenue sources are projected by Administrative Services Division staff.

A draft Budget is compiled for review by the Fire Chief, Administrative Services Director or designated representative(s). Individual meetings with each division are held with the Fire Chief or designated representative as deemed necessary by the Fire Chief. Programs, projects and staffing are reviewed in these sessions and approval is dependent on available funding and Fire Chief's recommendation.

After deliberation and final changes, the Budget is adopted by the Board of Directors. Preferably the Budget is adopted in June, prior to the beginning of the next fiscal year. In the event of unusual circumstances, the Budget may be adopted after the beginning of the fiscal year. Regardless, in accordance with Health and Safety Code Section 13895, the final Budget is adopted by October 1 of each fiscal year.

Formal budgetary integration is employed as a management control device during the year for all funds. Budgeted and actual revenues and expenditures are reviewed monthly by the Board and budget amendments and transfers are made as needed. The Accountant monitors appropriations on a division basis and conveys this information to the Fire Chief who can approve appropriation transfers so long as appropriations in total by fund do not change. This approach allows the Fire Chief to hold division heads accountable. The District reports expenditures and appropriations on a line-item basis to the Board which is the budgetary level of control.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Only the Board may approve amendments to appropriations in total by fund. This approach allows the Board to hold the Fire Chief accountable for the overall District operations.

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Budgeted amounts presented in the financial statements are as originally adopted and as amended by the Board. Supplemental amendments to the budget were adopted by the Board and have been included in the budget to actual statements.

**Q. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

At June 30, 2018, the District's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	<b>Balance</b>
	<b>June 30, 2018</b>
Cash in bank	\$ 932,423
Cash with Contra Costa County	1,153,612
Petty cash	200
State of California Local Agency Investment Fund (LAIF)	11,610,479
Total unrestricted cash equivalents and investments	<u>13,696,714</u>
Restricted deposits with financial institutions	2,326,655
Restricted investments for debt service	2,988,258
Total restricted cash equivalents and investments	<u>5,314,913</u>
Total cash and investments	<u>\$ 19,011,627</u>



**Moraga-Orinda Fire Protection District  
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**2. CASH AND INVESTMENTS, Continued**

California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. For the year ended June 30, 2018, the District’s permissible investments included the following instruments:

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>
U.S. Treasury Obligations	5 Years
U.S. Agency Securities	5 Years
Insured or Collateralized Certificates of Deposit	5 Years
State of California Local Agency Investment Fund	N/A
Local Government Investment Pools	N/A
Money Market Funds	N/A
Passbook Savings and Money Market Accounts	N/A

*Interest Rate Risk* – In accordance with its investment policy, the District manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years.

*Credit Risk* – The State of California Local Agency Investment Fund is not rated. As of June 30, 2018 the District’s restricted investments were comprised of \$21,258 in money market funds and \$2,967,000 invested in U.S. Treasuries with a maturity date of July 1, 2018.

*Concentration of Credit Risk* – The investments made by the District are limited to those allowable under State statutes as incorporated into the District’s Investment Policy, which is accepted annually by the District Board. There were no concentrations in any one issuer for the year.

The District participates in an investment pool managed by Contra Costa County. The County’s investments are subject to credit risk with the full faith and credit of Contra Costa County collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.



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**2. CASH AND INVESTMENTS, Continued**

*Custodial Credit Risk – deposits.* For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

At June 30, 2018, the carrying amount of the District's deposits was \$1,004,571 and the balances in financial institutions were \$1,316,473. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$1,038,572 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

*Custodial Credit Risk – investments.* For investments, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. None of the District's investments were subject to investment custodial credit risks.

**Investment in LAIF:** LAIF is stated at amortized cost, which approximates fair value. The LAIF, although not registered with the SEC, is a special fund of the California State Treasury through which local governments may pool investments and is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The District had a balance of \$11,610,479 which approximated market value and was managed by the State Treasurer. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2018:

	<b>Balance</b>
	<b>June 30, 2018</b>
Taxes	\$205,235
Interest	70,621
Ambulance billing	377,311
Other receivable	<u>237,733</u>
	<u>\$890,900</u>



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**4. FIRE STATION 43 CONSTRUCTION PROJECT**

In October 2016, the District awarded a contract for the construction of Fire Station 43 in Orinda, California. The project was scheduled for completion in October 2017. The new Fire Station 43 is to be built on the same property as the existing Fire Station 43; therefore, the existing Fire Station 43 was demolished. Subsequently the project was delayed and construction of the new fire station did not begin as planned. In September 2017, the District terminated the contract with the original contractor and awarded a contract to a new contractor. The project is underway and is projected for completion in fiscal year 2018-19. The District projects future completion costs for the project to be \$3,810,770 which will be paid out of the Capital Projects Fund. Costs incurred during fiscal year ended June 30, 2018 were \$1,147,610.

During the current fiscal year, the District determined the additional cost incurred for the construction of Fire Station 43 were impaired. The impairment occurred due to construction stoppage, incomplete work and soft costs associated with changing contractors. The amount that was removed from the construction in progress was \$689,733.

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018, was as follows:

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
<b>Governmental activities:</b>				
<b>Nondepreciable assets:</b>				
Land	\$ 502,000	\$ -	\$ -	\$ 502,000
Construction in Progress	4,350,282	990,874	(3,213,952)	2,127,204
<b>Total nondepreciable assets</b>	<b>4,852,282</b>	<b>990,874</b>	<b>(3,213,952)</b>	<b>2,629,204</b>
<b>Depreciable assets:</b>				
Buildings	6,087,961	-	-	6,087,961
Improvements	805,172	31,628	-	836,800
Equipment	1,718,125	218,652	(34,048)	1,902,729
Vehicles	6,431,225	2,858,543	(570,872)	8,718,896
<b>Total depreciable assets</b>	<b>15,042,483</b>	<b>3,108,823</b>	<b>(604,920)</b>	<b>17,546,386</b>
<b>Total</b>	<b>\$19,894,765</b>	<b>\$ 4,099,697</b>	<b>\$(3,818,872)</b>	<b>\$ 20,175,590</b>
<b>Accumulated depreciation:</b>				
Buildings	\$ 3,447,569	\$ 156,422	\$ -	\$ 3,603,991
Improvements	338,417	53,074	-	391,491
Equipment	664,626	148,958	(3,972)	809,612
Vehicles	4,055,844	362,536	(513,751)	3,904,629
<b>Total accumulated depreciation</b>	<b>8,506,456</b>	<b>720,990</b>	<b>(517,723)</b>	<b>8,709,723</b>
<b>Total net capital assets</b>	<b>\$11,388,309</b>	<b>\$ 3,378,707</b>	<b>\$(3,301,149)</b>	<b>\$ 11,465,867</b>





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**5. CAPITAL ASSETS, Continued**

Depreciation expense for capital assets was charged to functions as follows:

	<b>Balance</b>
	<b><u>June 30, 2018</u></b>
Fire protection - operations	\$ 720,990

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2018:

	<b>Balance</b>
	<b><u>June 30, 2018</u></b>
Accounts payable and accrued liabilities	\$ 988,898
Salaries and benefits payable	1,208,332
Total	<u>\$ 2,197,230</u>

**7. LONG-TERM LIABILITIES**

The District's long-term liabilities consist of taxable pension obligation bonds, lease obligations and compensated absences. The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2018:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b><u>July 1, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>June 30, 2018</u></b>	<b><u>One Year</u></b>
Pension obligation bonds	\$16,465,000	\$ -	\$ (2,360,000)	\$ 14,105,000	\$ 2,640,000
Capital lease obligations	259,333	-	(84,883)	174,450	86,435
Lease/purchase	6,724,000	-	(789,617)	5,934,383	805,107
Total debt	23,448,333	-	(3,234,500)	20,213,833	3,531,542
Compensated absences	582,743	129,714	(165,000)	547,457	165,000
Total long-term liabilities	<u>\$ 24,031,076</u>	<u>\$ 129,714</u>	<u>\$ (3,399,500)</u>	<u>\$ 20,761,290</u>	<u>\$ 3,696,542</u>

**Pension Obligation Bonds**

On October 6, 2005, the District issued taxable Pension Obligation Bonds in the amount of \$28,435,000. The bonds bear a fixed annual interest rate of 5.22%. Principal amounts are paid in annual installments on July 1 and interest payments are due semi-annually on July 1 and January 1. The bonds will mature on July 1, 2022.





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**7. LONG-TERM LIABILITIES, Continued**

**Capital Lease Obligations**

On June 17, 2015, the District entered into a five year lease agreement at a rate of 1.82% with JP Morgan Chase Bank for the purchase of two fully equipped ambulances. Payments are to be made semi-annually beginning December 2015 and ending June 24, 2020. Each installment is \$44,609.

**2016 and 2017 Lease/Purchase Agreement**

On May 1, 2016 the District entered into a lease/purchase agreement in the amount of \$4,069,000 for the construction, renovation and equipping of Station 43 in Orinda, California. The agreement bears a fixed annual interest rate of 2.14%. Principal and interest amounts are paid in semi-annual installments on October 1 and April 1. The agreement matures on April 1, 2031.

On May 30, 2017 the District entered into a lease/purchase agreement in the amount of \$2,855,000 for the construction and purchase of one fire truck, two fire engines, and two ambulances. The agreement bears a fixed annual interest rate of 1.899%. Principal and interest amounts are paid in semi-annual installments on November 30 and May 30. The agreement matures on May 30, 2022.



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**7. LONG-TERM LIABILITIES, Continued**

The following is the debt service obligations of the District:

<b>Year Ending June 30</b>	<b>Pension Obligation Bond</b>		<b>2016 Lease/Purchase Agreement</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 2,640,000	\$ 667,378	\$ 245,000	\$ 76,345
2020	2,945,000	521,609	250,000	71,079
2021	3,265,000	359,528	256,000	65,699
2022	3,610,000	180,090	261,000	60,198
2023	1,645,000	42,935	267,000	54,570
2024-2028	-	-	1,421,000	184,351
2029-2032	-	-	929,000	35,075
<b>Total</b>	<b>\$ 14,105,000</b>	<b>\$ 1,771,539</b>	<b>\$ 3,629,000</b>	<b>\$ 547,317</b>
Due within one year	\$ 2,640,000	\$ 667,378	\$ 245,000	\$ 76,345
Due after one year	11,465,000	1,104,161	3,384,000	470,972
<b>Total</b>	<b>\$ 14,105,000</b>	<b>\$ 1,771,539</b>	<b>\$ 3,629,000</b>	<b>\$ 547,317</b>

<b>Year Ending June 30</b>	<b>2017 Lease/Purchase Agreement</b>		<b>Capital Lease</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 560,107	\$ 41,143	\$ 86,435	\$ 2,783
2020	570,796	30,454	88,015	1,203
2021	581,689	19,559	-	-
2022	592,791	8,458	-	-
2023	-	-	-	-
2024-2028	-	-	-	-
2029-2032	-	-	-	-
<b>Total</b>	<b>\$ 2,305,383</b>	<b>\$ 99,614</b>	<b>\$ 174,450</b>	<b>\$ 3,986</b>
Due within one year	\$ 560,107	\$ 41,143	\$ 86,435	\$ 2,783
Due after one year	1,745,276	58,471	88,015	1,203
<b>Total</b>	<b>\$ 2,305,383</b>	<b>\$ 99,614</b>	<b>\$ 174,450</b>	<b>\$ 3,986</b>



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**7. LONG-TERM LIABILITIES, Continued**

Year Ending June 30	Total	
	Principal	Interest
2019	\$ 3,531,542	\$ 787,649
2020	3,853,811	624,345
2021	4,102,689	444,785
2022	4,463,791	248,746
2023	1,912,000	97,505
2024-2028	1,421,000	184,351
2029-2032	929,000	35,075
Total	<u>\$ 20,213,833</u>	<u>\$ 2,422,456</u>
Due within one year	\$ 3,531,542	\$ 787,649
Due after one year	16,682,291	1,634,807
Total	<u>\$ 20,213,833</u>	<u>\$ 2,422,456</u>

**Compensated Absences**

The District records employee absences, such as vacations, illness, deferred overtime, and holidays, for which it is expected that employees will be paid compensated absences. As of June 30, 2018, the District had a compensated absences balance of \$547,457.

**8. NET POSITION/FUND BALANCES**

**Net Position**

As of June 30, 2018, net position is as follows:

<u>Net Position</u>	<u>June 30, 2018</u>
Net investment in capital assets	\$ 7,683,689
Restricted for debt service	2,617,452
Restricted for pension benefits	700,449
Unrestricted (deficit)	(47,724,303)
Total	<u>\$ (36,722,713)</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions on the following page.



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**8. NET POSITION/FUND BALANCES, Continued**

**Fund Balance**

As of June 30, 2018, the District's Restricted and Committed fund balances are as follows:

<u>Fund Balances</u>	<u>June 30, 2018</u>
Nonspendable prepaid retirement	\$ 16,443
Restricted for debt service	3,008,656
Restricted for capital projects	2,326,655
Restricted for pension benefits	700,449
Committed for capital projects	6,021,716
Commitment for employee benefits	76,594
Unassigned	6,297,533
Total	<u>\$ 18,448,046</u>

The following describes the purpose of each restriction and commitment account used by the District:

**Nonspendable**

- **General Fund** – represents a nonspendable prepaid portion of employer contributions to Contra Costa County Employees Retirement Association (CCCERA).

**Restricted**

- **Debt Service** – represents amounts restricted for repayment of principal and payment of interest in the next calendar year of the District's Taxable Pension Obligation Bonds.
- **Capital Projects** – represents amounts restricted for District capital projects.
- **Pension Benefits** – represents amounts restricted for payment of pension liabilities.

**Committed**

- **Capital projects** – used to represent that portion of fund balance committed for capital construction and purchases. All balances reported in the Capital Projects Fund are committed for this purpose. This amount can only be changed by Board Resolution.
- **Employee benefits** – used to represent that portion of fund balance committed for employee benefits.

The District considers restricted amounts to have been spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, and unassigned amounts, in this order, are considered to have been spent when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.



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## **9. RISK MANAGEMENT**

The District is a member of the Fire Agencies Insurance Risk Authority (FAIRA), a public agency joint powers authority (JPA) providing insurance risk management services tailored to meet only specific needs of fire and emergency service agencies in the states of California and Nevada.

The FAIRA Joint Powers Authority is owned entirely by participating fire protection districts and agencies, and functions solely for their benefit. The District participates in the following FAIRA coverage:

### Property

Property coverage is for direct physical loss or damage to real and personal properties. In addition, the carrier will pay for actual loss of income and necessary expenses incurred during the period of restoration for up to one year if the insured operation is interrupted as a result of direct physical loss or damage to real or personal properties. The District has a deductible of up to \$5,000 per occurrence and a coverage limit of the guaranteed replacement cost of the Real or Personal Property. More detailed information regarding sub-limits is given in the District's FAIRA policy.

### Crime

Coverage is provided for dishonest acts committed by an employee, forgery or alteration of checks, drafts, losses arising out of the failure of an individual to perform duties, loss or damage resulting from computer fraud. The District is covered for up to \$1,000,000 for any criminal loss, with a deductible of \$5,000.

### General Liability

General liability covers bodily injury and property damage, personal injury and advertising injury, professional healthcare liability or medical expense. The District has no deductible and a coverage limit of up to \$1,000,000 for each occurrence, \$10,000 for medical expense, and annual aggregate limit of \$10,000,000.

### Management Liability

Management liability covers monetary damages as a result of wrongful act arising out of employment related practices, administration of employee benefit plans and other wrongful acts. Coverage includes wrongful termination, sexual harassment, public officials' errors and omissions. For each wrongful act, the District pays the first \$5,000 and the insurance covers the remaining up to \$1,000,000 for each wrongful act and \$10,000,000 annual aggregate limit.

### Automobile Coverage

Covers bodily injury, property damage and automobile physical damage resulting from an accident involving vehicles such as fire engines, pumpers, ambulances, paramedic vans, rescue vans, private passenger and other vehicles. The insurance covers up to \$1,000,000 for bodily injury, property damage, and uninsured/underinsured motorists.



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**9. RISK MANAGEMENT, Continued**

The insurance covers direct physical loss or damage to automobiles in the event of fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, mischief, vandalism, or the sinking, burning, collision or derailment of any conveyance transporting the covered automobile and collision, resulting from collision with another object, or overturn. The insurance covers the agreed value of Emergency Response/Antique vehicles and the actual cash value of Private Passenger, Service Vehicles, Trailers, and Other Non-Emergency Vehicles. The deductible is up to \$3,000 depending on the vehicle. Amounts of settlements have not exceeded insurance coverage in the past three years.

A summary of the District's insurance coverage under FAIRA is as follows:

<b>Coverage</b>	<b>Insurance Company/ Pool</b>	<b>Limit of Liability</b>	<b>Deductible</b>
Property	FAIRA	Guaranteed Replacement Cost Up to 12 months loss of income/additional expense \$5,000,000 earthquake sprinkler leakage	Up to \$5000
Crime	FAIRA	\$1,000,000 for all crime	\$1,000
Portable Equipment	FAIRA	Guaranteed Replacement Cost	\$1,000
General Liability	FAIRA	\$1,000,000 each occurrence \$10,000 medical expenses each accident	None
Management	FAIRA	\$1,000,000 each wrongful act	\$5,000
Automobile	FAIRA	\$1,000,000 bodily injury Agreed value/FMV auto damage	\$10,000 medical Up to \$3000



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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)**

At June 30, 2018, net OPEB liability and related deferred outflows of resources are as follows:

	<b>Governmental Activities</b>
<b>Deferred outflows of resources</b>	<u>\$ 199,062</u>
<b>Net OPEB liabilities</b>	<u>\$ 15,329,724</u>

**A. Plan Description**

In addition to the retirement plan described in Note 11, the Moraga-Orinda Fire District Retiree Health Insurance Program (“OPEB Plan”) provides access to lifetime healthcare benefits to eligible retirees and their dependents. The District administers a agent multiple-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date, employment status and employment classification. Benefits continue to the surviving spouses. Eligibility for retiree health benefits requires direct retirement from the District under CCCERA.

Eligible employees who were hired prior to April 15, 2014 (July 2, 2014 for Battalion Chiefs and July 1, 2014 for unrepresented), receive 100% of medical and dental premiums, subject to the District Cap. The Medical Cap is as follows:

	<u>Local 2700</u>	<u>All Others</u>
Single	\$575.44	\$458.42
Single +1	\$1,150.85	\$916.82
Family	\$1,496.11	\$1,191.87

Eligible employees hired after the dates listed above will receive the PEMHCA minimum benefit.

**B. Eligibility**

Employees are eligible to participate in the District’s Plan if they retire directly from the District under CCCERA with ten years of CCCERA service (there is a five year service requirement if retirement is due to a service-connected disability.) Since PEMHCA is a community rated plan for most employers, an implied subsidy is reflected. The District does not provide vision, life, or Medicare Part B reimbursement to retirees.

Membership of the District as of the valuation date consisted of the following:

Active plan members	61
Inactive employees or beneficiaries currently receiving benefit payments	<u>152</u>
Total	<u>213</u>



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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”), Continued**

***C. Contribution***

The obligation of the District to contribute to the plan is based on an actuarially determined rate. For the fiscal year ended June 30, 2018, the District’s expected contribution rate was 17.99 percent of covered-employee payroll.

***D. Net OPEB Liability***

The District’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

***E. Actuarial Assumptions***

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.25%
Inflation	2.50%
Aggregate salary increases (Individual salary increases based on CalPERS)	3.00%
Investment rate of return	6.25%
Mortality rates	Based on CalPERS tables
Healthcare cost trend rate	7.00% in the first year, trending down to 3.84% over 58 years





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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”), Continued**

***F. Discount Rate***

The discount rate used to measure the total OPEB Liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	75.00%	4.25%
Fixed Income	20.00%	2.37%
Cash and Equivalents	5.00%	1.44%
<b>Total</b>	<b>100.00%</b>	<b>3.75%</b>



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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”), Continued**

**G. Change in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2017	\$ 15,696,050	\$ 472,933	\$ 15,223,117
Changes Recognized for year:			
Service Cost	459,818	-	459,818
Interest	946,716	-	946,716
Difference between expected and actual experience	238,065	-	238,065
Contributions:			
Employer - explicit subsidy	-	1,195,298	(1,195,298)
Employer - implicit subsidy	-	307,499	(307,499)
Net investment income	-	36,771	(36,771)
Benefit payments, including refunds of employee contributions	(821,298)	(821,298)	-
Implicit rate subsidy fulfilled	(307,499)	(307,499)	-
Administrative expenses	-	(1,576)	1,576
Net changes	515,802	409,195	106,607
Balance at June 30, 2018	\$ 16,211,852	\$ 882,128	\$ 15,329,724

**H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) follows:

Plan's Net OPEB Liability		
Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
\$ 17,109,776	\$ 15,329,724	\$ 13,912,752



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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”), Continued**

***I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.***

The net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

<b>Plan's Net OPEB Liability</b>		
<b>Trend Rate - 1% (6.00% decreasing to 2.84%)</b>	<b>Healthcare Cost Trend Rates (7.00% decreasing to 3.84%)</b>	<b>Trend Rate +1% (8.00% decreasing to 4.84%)</b>
\$ 14,779,928	\$ 15,329,724	\$ 16,124,364

***J. OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$1,331,086. At June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of resources</b>
Difference between expected and actual experience in the Total OPEB Liability	\$ 182,181
Net excess of projected over actual earnings on OPEB plan investments	16,881
Total	\$ 199,062



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**10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”), Continued**

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The difference between projected and actual experience will be amortized over the expected average service lifetime of 4.3 years.

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

<b>Fiscal Year</b>	
<b>Ending June 30,</b>	<b>Deferred outflows</b>
2019	\$ 59,238
2020	59,237
2021	59,237
2022	21,350
	<u>\$ 199,062</u>

**11. PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Descriptions** - Substantially, all qualified permanent and probationary District employees are eligible to participate in pension plans, either Safety (law enforcement, fire suppression, and certain others) or General (all other), offered by Contra Costa County Employees’ Retirement Association (CCCERA), a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CCCERA provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

**B. Benefits Provided** - CCCERA provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible employees. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis by CCCERA; the District must contribute these amounts.



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**11. PENSION PLAN, Continued**

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Safety</u>	<u>Non-Safety</u>
Benefit vesting schedule	5 years	5 years
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 or 57	55 or 67
Required employee contribution rates	15.30% - 22.15%	8.02% - 15.07%
Required employer contribution rates	70.94%, 62.24% new hires	23.81%, 20.46% new hires
Monthly benefits as percentage of annual salary	3%, 2.7% new hires	2%, 2.5% new hires

**C. Contributions** - The District is required to contribute at an actuarially determined rate which is established and may be amended by the CCCERA Board. The amount is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's contributions for the year ended June 30, 2018 was \$4,677,312, which was equal to the required contributions for current fiscal year.

**D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** - At June 30, 2018, the District reported a liability of \$23,498,575 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the District's proportion was 2.896%, which was an increase from its proportion measured as of December 31, 2016 of 2.326%.

For the year ended June 30, 2018, the District recognized pension expense of \$2,862,659.



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**11. PENSION PLAN, Continued**

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions paid to CCCERA subsequent to measurement date	\$ 2,338,656	\$ -
Difference between expected and actual experience in the Total Pension Liability	-	2,316,698
Change in assumptions	708,630	288
Changes in proportion and differences between employer's contributions	2,432,720	3,959,470
Net excess of projected over actual earnings on pension plan investments	-	6,058,445
<b>Total</b>	<b>\$ 5,480,006</b>	<b>\$ 12,334,901</b>

\$2,338,656 was reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended June 30</b>	
2019	\$ (2,488,188)
2020	(1,235,418)
2021	(3,041,475)
2022	(2,428,470)
Thereafter	-

**E. Actuarial Assumptions** - The Total Pension Liabilities as of December 31, 2017 were determined by actuarial valuation as of December 31, 2017. The actuarial assumptions used were based on the results of an experience study for the period January 1, 2012 through December 31, 2014. In particular, the following actuarial assumptions were applied to all periods included in the measurement of the December 31, 2017 actuarial valuation:

Inflation	2.75%
Salary increases	Non-safety 4% to 13.25% and safety 4% to 13.75%, varying by service
Investment rate of return	7%
Valuation date	December 31, 2016
Measurement date	December 31, 2017
Actuarial cost method	Entry-Age Actuarial Cost Method



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**For the year ended June 30, 2018**

**11. PENSION PLAN, Continued**

A complete copy of the Actuarial Valuation Summary is available in separately issued financial statements of the plan which can be obtained from CCCERA located at 1355 Willow Way, Suite 221, Concord, CA 94520.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This return is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of</b>
Large Cap U.S. Equity	6.00%	5.75%
Developed International Equity	10.00%	6.99%
Emerging Markets Equity	14.00%	8.95%
Short-Term Govt./Credit	24.00%	0.20%
U.S. Treasury	2.00%	0.30%
Real Estate	7.00%	4.45%
Cash and Equivalents	1.00%	-0.46%
Risk Diversifying Strategies	2.00%	4.30%
Private Credit	17.00%	6.30%
Private Equity	17.00%	8.10%
<b>Total</b>	<b>100.00%</b>	

**F. Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of December 31, 2017 and as of December 31, 2016. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of December 31, 2017.



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**11. PENSION PLAN, Continued**

**G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability as of December 31, 2017, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net pension liability as of December 31, 2017	\$ 49,778,525	\$ 23,498,575	\$ 2,052,597

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued CCCERA financial reports.

**Payable to the Pension Plan** - At June 30, 2018, there were no significant payables due to the pension plan.

The District's proportionate share of total pension liability and fiduciary net position of the plan is as follows:

	<u>District's Proportionate Share</u>
Total Pension Liability	\$ 193,403,909
Fiduciary Net Position	169,905,334
Net Pension Liability	<u>\$ 23,498,575</u>

**12. COMMITMENTS AND CONTINGENCIES**

The District is a party to claims and lawsuits arising in the ordinary course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the District. The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.





**Moraga-Orinda Fire Protection District  
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**13. NEW ACCOUNTING PRONOUNCEMENTS**

**GASB Statement No. 81** – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016. The implementation of this Statement did not have a material effect on the financial statements.

**GASB Statement No. 83** – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the FY 2018/2019. The District is evaluating the impact of this Statement on the financial statements.

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the FY 2019/2020. The District is evaluating the impact of this Statement on the financial statements.

**GASB Statement No. 85** – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement is effective for the reporting periods beginning after June 15, 2017, or FY 2017/2018 fiscal year. The implementation of this Statement did not have a material effect on the financial statements.



## Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018 Notes to Basic Financial Statements

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**GASB Statement No. 86** – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources — resources other than the proceeds of refunding debt — are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the reporting periods beginning after June 15, 2017, or FY 2017/2018. The implementation of this Statement did not have a material effect on the financial statements.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.

**GASB Statement No. 88** – GASB Statement No. 88 – In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. This Statement is effective for reporting periods beginning after June 15, 2018 or FY 2019/2020. The District is evaluating the impact of this statement on the financial statements.

**GASB Statement No. 89** – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, or FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information – Pension Schedule of**  
**Contributions**  
**Contra Costa County Employees’ Retirement Association (CCERA)**  
**Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution (actuarially determined)	\$ 4,677,312	\$ 4,395,376	\$ 4,063,149	\$ 4,517,403	\$ 3,107,945
Contributions in relation to the actuarially determined contributions	<u>4,677,312</u>	<u>4,395,376</u>	<u>4,063,149</u>	<u>4,517,403</u>	<u>3,107,945</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,395,829	\$ 7,347,757	\$ 6,858,003	\$ 6,966,539	\$ 7,871,587
Contributions as a percentage of covered payroll	55.7%	59.8%	59.2%	64.8%	39.5%

**Notes to Schedule**

1) Covered payroll represents compensation earnable and pensionable compensation.

\* Information prior to the implementation of the pension standards is not available.



**Moraga-Orinda Fire Protection District  
 Required Supplementary Information - Schedule of the District's  
 Proportionate Share of the Net Pension Liability  
 Contra Costa County Employee's Retirement Association (CCCERA)  
 Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	2.896%	2.326%	2.608%	2.393%	2.393%
Proportionate share of the net pension liability	\$ 23,498,575	\$ 32,569,913	\$ 39,299,357	\$ 28,612,847	\$ 35,211,427
Covered payroll	\$ 7,960,215	\$ 7,347,757	\$ 6,858,003	\$ 7,350,163	\$ 7,353,174
Proportionate Share of the net pension liability as percentage of covered payroll	295.20%	443.26%	573.04%	389.28%	478.86%
Plan fiduciary net position as a percentage of the total pension liability	87.85%	82.41%	78.77%	83.79%	80.06%

**Notes to Schedule:**

1) Covered payroll represents compensation earnable and pensionable compensation.

\* Information prior to the implementation of the pension standards is not available.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information - Schedule of the District's**  
**OPEB Contributions**  
**Last Ten Fiscal Years\***

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12 <sup>1</sup>
Actuarially determined contribution	\$ 1,530,343	\$ 1,485,776	\$ 1,292,000	\$ 1,238,000	\$ 1,187,000	\$ 2,447,000	\$ 2,274,000
Contributions in relation to the actuarially determined contribution	(1,502,797)	(1,371,290)	(953,224)	(969,770)	(896,659)	(937,777)	(898,937)
Contribution deficiency (excess)	<b>\$ 27,546</b>	<b>\$ 114,486</b>	<b>\$ 338,776</b>	<b>\$ 268,230</b>	<b>\$ 290,341</b>	<b>\$ 1,509,223</b>	<b>\$ 1,375,063</b>
Covered payroll	\$ 6,987,356	\$ 7,872,287	\$ 7,288,000	\$ 7,208,000	\$ 6,981,000	\$ 7,171,000	\$ 7,274,000

<sup>1</sup> GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation. The plan was not funded with an OPEB trust prior to 6/30/12.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information – Schedule of the District’s**  
**Changes in Net OPEB Liability**  
**Last Ten Years\***

	<b>Fiscal Year</b> <b>Ending June 30,</b> <b>2018</b>	<b>Fiscal Year</b> <b>Ending June 30,</b> <b>2017</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 459,818	\$ 446,425
Interest	946,716	929,839
Differences between expected and actual experience	238,065	-
Benefit payments	(821,298)	(827,604)
Implicit rate subsidy fulfilled	(307,499)	(287,686)
<b>Net change in total OPEB liability</b>	<b>515,802</b>	<b>260,974</b>
<b>Total OPEB liability - beginning of year</b>	<b>15,696,050</b>	<b>15,435,076</b>
<b>Total OPEB liability - end of year (a)</b>	<b>\$ 16,211,852</b>	<b>\$ 15,696,050</b>
<b>Plan Fiduciary Net Position</b>		
Net investment income	\$ 36,771	\$ 41,863
Contributions		
Employer - explicit subsidy	1,195,298	1,083,604
Employer - implicit subsidy	307,499	287,686
Benefit payments	(821,298)	(827,604)
Implicit rate subsidy fulfilled	(307,499)	(287,686)
Administrative expense	(1,576)	(1,367)
<b>Net change in plan fiduciary net position</b>	<b>409,195</b>	<b>296,496</b>
<b>Plan fiduciary net position - beginning of year</b>	<b>472,933</b>	<b>176,437</b>
<b>Plan fiduciary net position - end of year (b)</b>	<b>882,128</b>	<b>472,933</b>
<b>District’s net OPEB liability - end of year = (a) - (b)</b>	<b>\$ 15,329,724</b>	<b>\$ 15,223,117</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>5.44%</b>	<b>3.01%</b>
<b>Covered payroll</b>	<b>6,987,356</b>	<b>7,872,287</b>

Notes to schedule:

\* Information prior to the implementation of the OPEB standards is not available.



**Moraga-Orinda Fire Protection District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual – Debt Service Fund**  
**For the year ended June 30, 2018**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Positive (Negative)</u>
<b>REVENUES:</b>				
Property taxes	\$ 3,376,281	\$ 3,376,281	\$ 3,376,281	\$ -
Use of money and property	-	-	1,083	1,083
<b>Total revenues</b>	<u>3,376,281</u>	<u>3,376,281</u>	<u>3,377,364</u>	<u>1,083</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,234,500	3,234,500	3,234,500	-
Interest	935,357	935,357	935,347	10
<b>Total expenditures</b>	<u>4,169,857</u>	<u>4,169,857</u>	<u>4,169,847</u>	<u>10</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(793,576)</u>	<u>(793,576)</u>	<u>(792,483)</u>	<u>1,093</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,011,980	1,011,980	1,011,970	(10)
Transfers out	-	-	(4,476)	(4,476)
<b>Total other financing sources</b>	<u>1,011,980</u>	<u>1,011,980</u>	<u>1,007,494</u>	<u>(4,486)</u>
<b>Net change in fund balances</b>	218,404	218,404	215,011	(3,393)
<b>FUND BALANCES:</b>				
Beginning of year	2,793,645	2,793,645	2,793,645	-
End of year	<u>\$ 3,012,049</u>	<u>\$ 3,012,049</u>	<u>\$ 3,008,656</u>	<u>\$ (3,393)</u>





**Moraga-Orinda Fire Protection District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual – Capital Project Fund**  
**For the year ended June 30, 2018**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance With Amended Positive (Negative)</b>
<b>REVENUES:</b>				
Fire flow taxes	\$ 1,076,738	\$ 1,080,597	\$ 1,080,597	\$ -
Use of money and property	10,000	10,000	24,856	14,856
Intergovernmental	159,906	179,116	179,116	-
Charges for services	200,000	40,000	38,000	(2,000)
<b>Total revenues</b>	<b>1,446,644</b>	<b>1,309,713</b>	<b>1,322,569</b>	<b>12,856</b>
<b>EXPENDITURES:</b>				
Service and supplies	409,196	409,196	310,055	99,141
Capital outlay	150,000	5,386,955	1,575,234	3,811,721
<b>Total expenditures</b>	<b>559,196</b>	<b>5,796,151</b>	<b>1,885,289</b>	<b>3,910,862</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>887,448</b>	<b>(4,486,438)</b>	<b>(562,720)</b>	<b>3,923,718</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(1,011,980)	(1,011,980)	(1,011,970)	10
Proceeds from sale of assets	-	43,655	66,646	22,991
<b>Total other financing sources</b>	<b>(1,011,980)</b>	<b>(968,325)</b>	<b>(945,324)</b>	<b>23,001</b>
<b>Net change in fund balances</b>	<b>(124,532)</b>	<b>(5,454,763)</b>	<b>(1,508,044)</b>	<b>3,946,719</b>
<b>FUND BALANCES:</b>				
Beginning of year	9,856,415	9,856,415	9,856,415	-
End of year	<b>\$ 9,731,883</b>	<b>\$ 4,401,652</b>	<b>\$ 8,348,371</b>	<b>\$ 3,946,719</b>



## **Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2018**

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and footnotes says about the District's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.

### **Debt Capacity**

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

### *Sources*

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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**Moraga-Orinda Fire Protection District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**For the year ended June 30, 2018**

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 7,828,328	\$ 7,712,538	\$ 8,348,722	\$ 9,081,906
Restricted	435,971	41,979	-	-
Unrestricted (deficit)	<u>2,952,567</u>	<u>3,290,391</u>	<u>2,575,866</u>	<u>1,330,209</u>
<b>Total governmental activities net position</b>	<u>\$ 11,216,866</u>	<u>\$ 11,044,908</u>	<u>\$ 10,924,588</u>	<u>\$10,412,115</u>

\* Implemented GASB 68

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<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 9,314,274	\$9,930,092	\$ 9,466,042	\$ 8,327,292	\$ 7,318,954	\$ 7,683,689
2,037,710	2,206,339	2,812,780	12,655,893	2,955,444	3,317,901
<u>(2,697,070)</u>	<u>(2,337,332)</u>	<u>(56,768,462)</u>	<u>(60,767,871)</u>	<u>(52,888,825)</u>	<u>(47,724,303)</u>
<u>\$ 8,654,914</u>	<u>\$9,799,099</u>	<u>\$ (44,489,640)</u>	<u>\$ (39,784,686)</u>	<u>\$ (42,614,427)</u>	<u>\$ (36,722,713)</u>



**Moraga-Orinda Fire Protection District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**For the year ended June 30, 2018**  
**(Accrual basis of accounting)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses:</b>				
Governmental activities:				
Fire protection - operations	\$ 17,668,240	\$ 16,952,041	\$ 17,199,159	\$ 17,298,393
OPEB	1,192,047	1,112,953	1,188,000	1,262,063
Interest and fiscal charges	1,486,551	1,423,521	1,351,267	1,289,602
Total governmental activities expenses	<u>20,346,838</u>	<u>19,488,515</u>	<u>19,738,426</u>	<u>19,850,058</u>
Total primary government expenses	<u>\$ 20,346,838</u>	<u>\$ 19,488,515</u>	<u>\$ 19,738,426</u>	<u>\$ 19,850,058</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
Fire protection - operations	\$ 1,750,233	\$ 1,420,196	\$ 1,395,534	\$ 1,242,317
Operating grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>1,750,233</u>	<u>1,420,196</u>	<u>1,395,534</u>	<u>1,242,317</u>
Total primary government program revenues	<u>\$ 1,750,233</u>	<u>\$ 1,420,196</u>	<u>\$ 1,395,534</u>	<u>\$ 1,242,317</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (18,596,605)</u>	<u>\$ (18,068,319)</u>	<u>\$ (18,342,892)</u>	<u>\$ (18,607,741)</u>
Total primary government net expense	<u>\$ (18,596,605)</u>	<u>\$ (18,068,319)</u>	<u>\$ (18,342,892)</u>	<u>\$ (18,607,741)</u>
<b>General Revenues and Other Changes in Net Position:</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 16,407,887	\$ 16,827,597	\$ 16,882,276	\$ 16,524,808
Fire flow taxes	1,066,761	1,064,888	1,067,969	1,067,763
Investment earnings	54,431	3,776	4,463	3,252
State and federal grants	-	-	149,845	280,069
Other general revenues	16,397	100	118,019	219,379
Gain (loss) on sale of assets	-	-	-	-
Total governmental activities	<u>17,545,476</u>	<u>17,896,361</u>	<u>18,222,572</u>	<u>18,095,271</u>
Total primary government	<u>\$ 17,545,476</u>	<u>\$ 17,896,361</u>	<u>\$ 18,222,572</u>	<u>\$ 18,095,271</u>
<b>Changes in Net Position</b>				
Governmental activities	<u>\$ (1,051,129)</u>	<u>\$ (171,958)</u>	<u>\$ (120,320)</u>	<u>\$ (512,470)</u>
Total primary government	<u>\$ (1,051,129)</u>	<u>\$ (171,958)</u>	<u>\$ (120,320)</u>	<u>\$ (512,470)</u>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 18,285,971	\$ 19,149,488	\$ 18,372,152	\$ 18,610,768	\$ 19,005,152	\$ 21,012,014
1,356,223	273,867	-	-	-	-
<u>1,225,394</u>	<u>1,151,010</u>	<u>1,041,717</u>	<u>1,079,259</u>	<u>996,870</u>	<u>825,941</u>
<u>20,867,588</u>	<u>20,574,365</u>	<u>19,413,869</u>	<u>19,690,027</u>	<u>20,002,022</u>	<u>21,837,955</u>
<b><u>\$ 20,867,588</u></b>	<b><u>\$ 20,574,365</u></b>	<b><u>\$ 19,413,869</u></b>	<b><u>\$ 19,690,027</u></b>	<b><u>\$ 20,002,022</u></b>	<b><u>\$ 21,837,955</u></b>
\$ 1,455,540	\$ 1,037,735	\$ 1,180,935	\$ 1,303,760	\$ 1,531,589	\$ 1,469,376
-	1,773,086	1,814,670	436,499	106,929	459,284
<u>1,455,540</u>	<u>2,810,821</u>	<u>2,995,605</u>	<u>1,740,259</u>	<u>1,638,518</u>	<u>1,928,660</u>
<b><u>\$ 1,455,540</u></b>	<b><u>\$ 2,810,821</u></b>	<b><u>\$ 2,995,605</u></b>	<b><u>\$ 1,740,259</u></b>	<b><u>\$ 1,638,518</u></b>	<b><u>\$ 1,928,660</u></b>
<u>\$(19,412,048)</u>	<u>\$(17,763,544)</u>	<u>\$(16,418,264)</u>	<u>\$(17,949,768)</u>	<u>\$(18,363,504)</u>	<u>\$(19,909,295)</u>
<b><u>\$(19,412,048)</u></b>	<b><u>\$(17,763,544)</u></b>	<b><u>\$(16,418,264)</u></b>	<b><u>\$(17,949,768)</u></b>	<b><u>\$(18,363,504)</u></b>	<b><u>\$(19,909,295)</u></b>
\$ 16,471,345	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300	\$ 23,220,123
1,069,288	1,071,747	1,068,288	1,070,214	1,076,738	1,080,597
784	209	1,996	10,948	22,103	116,664
1,239	165,510	160,407	158,460	156,429	154,528
112,191	-	-	406,279	599,199	1,229,097
-	-	-	315,507	-	-
<u>17,654,847</u>	<u>18,907,729</u>	<u>20,466,538</u>	<u>22,654,722</u>	<u>23,975,769</u>	<u>25,801,009</u>
<b><u>\$ 17,654,847</u></b>	<b><u>\$ 18,907,729</u></b>	<b><u>\$ 20,466,538</u></b>	<b><u>\$ 22,654,722</u></b>	<b><u>\$ 23,975,769</u></b>	<b><u>\$ 25,801,009</u></b>
<u>\$ (1,757,201)</u>	<u>\$ 1,144,185</u>	<u>\$ 4,048,274</u>	<u>\$ 4,704,954</u>	<u>\$ 5,612,265</u>	<u>\$ 5,891,714</u>
<b><u>\$(1,757,201)</u></b>	<b><u>\$ 1,144,185</u></b>	<b><u>\$ 4,048,274</u></b>	<b><u>\$ 4,704,954</u></b>	<b><u>\$ 5,612,265</u></b>	<b><u>\$ 5,891,714</u></b>





**Moraga-Orinda Fire Protection District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**For the year ended June 30, 2018**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>				
Nonspendable	\$ 163,937	\$ 115,990	\$ 97,436	\$ 101,742
Restricted	-	-	2,230,328	-
Committed	-	-	-	-
Unassigned (deficit)	3,333,605	3,571,416	1,389,986	981,806
<b>Total General Fund</b>	<u>3,497,542</u>	<u>3,687,406</u>	<u>3,717,750</u>	<u>1,083,548</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ -	\$ 30,184	\$ -
Restricted	435,971	41,979	-	2,377,847
Committed	-	-	-	-
Assigned	2,568,942	3,076,361	2,959,234	3,041,382
<b>Total Other Governmental Funds</b>	<u>3,004,913</u>	<u>3,118,340</u>	<u>2,989,418</u>	<u>5,419,229</u>
<b>Total All Governmental Funds</b>	<u>\$ 6,502,455</u>	<u>\$ 6,805,746</u>	<u>\$ 6,707,168</u>	<u>\$ 6,502,777</u>

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<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 179,419	\$ 314,360	\$ 150,767	\$ -	\$ 81,945	\$ 16,443
-	700	-	-	300,000	700,449
-	-	-	-	-	76,594
<u>(103,719)</u>	<u>250,906</u>	<u>1,809,814</u>	<u>3,689,075</u>	<u>4,905,518</u>	<u>6,297,533</u>
<u>75,700</u>	<u>565,966</u>	<u>1,960,581</u>	<u>3,689,075</u>	<u>5,287,463</u>	<u>7,091,019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,037,710	2,205,639	2,812,780	6,591,527	6,070,031	5,335,311
3,607,437	3,445,991	3,890,011	6,064,366	6,580,029	6,021,716
-	-	-	-	-	-
<u>5,645,147</u>	<u>5,651,630</u>	<u>6,702,791</u>	<u>12,655,893</u>	<u>12,650,060</u>	<u>11,357,027</u>
<u>\$5,720,847</u>	<u>\$6,217,596</u>	<u>\$8,663,372</u>	<u>\$16,344,968</u>	<u>\$17,937,523</u>	<u>\$18,448,046</u>



**Moraga-Orinda Fire Protection District**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**For the year ended June 30, 2018**  
**(Modified accrual basis of accounting)**

<b>Revenues:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Property taxes	\$ 16,407,887	\$ 16,827,597	\$ 16,882,276	\$ 16,524,808
Fire flow taxes	1,066,761	1,064,888	1,067,969	1,067,763
Use of money and property	54,431	3,776	4,463	3,252
State and federal grants	-	-	149,845	280,069
Charges for services	1,750,233	1,420,196	1,395,534	1,242,317
Charges for services - ambulance	-	-	-	-
Other revenues	16,397	100	118,019	219,379
Impact mitigation fees	-	-	-	-
<b>Total revenues</b>	<b>19,295,709</b>	<b>19,316,557</b>	<b>19,618,106</b>	<b>19,337,588</b>
<b>Expenditures:</b>				
Fire protection - operations:	16,852,131	15,925,826	16,013,010	15,928,710
Salaries				
Overtime	-	-	-	-
Benefits	-	-	-	-
Retiree health insurance	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	1,275,745	349,161	1,149,290	1,241,129
Debt service:				
Principal	1,130,912	1,295,574	1,179,888	1,055,000
Interest and fiscal charges	1,502,080	1,442,705	1,374,496	1,317,137
<b>Total expenditures</b>	<b>20,760,868</b>	<b>19,013,266</b>	<b>19,716,684</b>	<b>19,541,976</b>
<b>Reconciliation of Governmental Revenues</b>				
<b>Less Expenditures to Fund Equity:</b>				
Revenue over (under) expenditures	(1,465,159)	303,291	(98,578)	(204,388)
Other financing sources:				
Proceeds of debt issued	-	-	-	-
Proceeds from sales of assets	-	-	-	-
Total other financing sources	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (1,465,159)</b>	<b>\$ 303,291</b>	<b>\$ (98,578)</b>	<b>\$ (204,388)</b>
Debt service as a percentage of noncapital expenditures	15.62%	17.19%	15.95%	14.89%

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 16,471,345	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300	\$ 23,220,123
1,069,288	1,071,747	1,068,288	1,070,214	1,076,738	1,080,597
784	209	1,996	10,948	22,103	116,664
1,239	853,927	950,669	594,959	263,358	613,812
1,455,540	226,745	273,205	228,372	319,436	348,691
-	810,990	907,730	997,388	1,116,153	1,082,685
112,191	1,026,669	798,753	406,279	599,199	1,229,097
-	58,000	225,655	78,000	96,000	38,000
<u>19,110,387</u>	<u>21,718,550</u>	<u>23,462,143</u>	<u>24,079,474</u>	<u>25,614,287</u>	<u>27,729,669</u>
7,725,838	8,181,676	7,250,708	7,517,701	8,065,559	8,551,976
2,421,630	1,541,123	2,048,524	1,832,377	2,196,582	2,741,777
4,001,208	4,649,384	6,442,501	5,924,823	6,369,452	6,864,030
937,777	896,659	885,770	859,224	827,605	821,299
1,824,534	2,059,857	1,810,195	2,091,521	2,165,943	2,561,629
493,832	1,279,899	266,114	792,794	3,882,152	1,575,234
1,230,000	1,425,000	1,630,000	1,936,862	2,383,359	3,234,500
<u>1,257,498</u>	<u>1,188,203</u>	<u>1,108,467</u>	<u>1,091,276</u>	<u>992,998</u>	<u>935,347</u>
<u>19,892,317</u>	<u>21,221,801</u>	<u>21,442,279</u>	<u>22,046,578</u>	<u>26,883,650</u>	<u>27,285,792</u>
<u>(781,930)</u>	<u>496,749</u>	<u>2,019,864</u>	<u>2,032,896</u>	<u>(1,269,363)</u>	<u>443,877</u>
-	-	424,554	4,069,000	2,855,000	-
-	-	1,358	1,579,700	6,918	66,646
-	-	425,912	5,648,700	2,861,918	66,646
<u>\$ (781,930)</u>	<u>\$ 496,749</u>	<u>\$ 2,445,776</u>	<u>\$ 7,681,596</u>	<u>\$ 1,592,555</u>	<u>\$ 510,523</u>
<u>14.71%</u>	<u>15.08%</u>	<u>14.85%</u>	<u>16.61%</u>	<u>17.20%</u>	<u>19.36%</u>



**Moraga-Orinda Fire Protection District**  
**Assessed Value and Actual Value of Taxable Properties**  
**For the year ended June 30, 2018**

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	<u>Secured</u>	<u>Public Utility</u>	<u>Unsecured</u>	<u>Total</u>
2009	\$ 7,555,324,246	\$ -	\$ 66,510,754	\$ 7,621,835,000
2010	7,857,318,244	-	72,485,758	7,929,804,002
2011	7,789,473,983	-	70,448,664	7,859,922,647
2012	7,651,638,646	202,420	66,910,960	7,718,752,026
2013	7,717,894,690	116,479	70,187,146	7,788,198,315
2014	8,185,959,045	116,479	61,878,545	8,247,954,069
2015	8,856,613,012	-	54,622,692	8,911,235,704
2016	9,513,818,540	-	51,023,341	9,564,841,881
2017	10,092,398,210	-	56,765,474	10,149,163,684
2018	10,647,964,837	-	53,105,276	10,701,070,113

Source: HdL, Coren and Cone



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**Moraga-Orinda Fire Protection District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

	<b>Basic Direct Rate</b>	<b>Overlapping Rates</b>				
		<b>Acalanes Union High School District</b>	<b>BART Bond</b>	<b>Contra Costa Comm College District</b>	<b>EBMUD District 1 Bond</b>	<b>East Bay Regional Park District Bond</b>
2009	1.00000	0.02890	0.00900	0.00660	0.00640	0.01000
2010	1.00000	0.02980	0.00570	0.01260	0.00650	0.01080
2011	1.00000	0.03110	0.00310	0.01330	0.00670	0.00840
2012	1.00000	0.03330	0.00410	0.01440	0.00670	0.00710
2013	1.00000	0.03330	0.00430	0.00870	0.00680	0.00510
2014	1.00000	0.03610	0.00750	0.01330	0.00660	0.00780
2015	1.00000	0.03500	0.00450	0.02520	0.00470	0.00850
2016	1.00000	0.03320	0.00260	0.02200	0.00340	0.00670
2017	1.00000	0.03230	0.00800	0.01200	0.00280	0.00320
2018	1.00000	0.03250	0.00840	0.01140	0.00110	0.00210

Source: HdL, Coren and Cone

**Notes:**

Rate per \$100 of assessed value

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all District property owners.

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<b>Lafayette School District Bond 1995</b>	<b>Moraga School District Bond 1995</b>	<b>Orinda Union School District Bond</b>	<b>Orinda Roads Bond</b>	<b>West Contra Costa Unified School District</b>	<b>Total Tax Rate</b>
0.03300	0.03090	0.02470	0.00000	0.12300	1.27250
0.03260	0.03020	0.02360	0.00000	0.18280	1.33460
0.03260	0.03110	0.02440	0.00000	0.18690	1.33760
0.02790	0.03120	0.02740	0.00000	0.23220	1.38430
0.02840	0.02790	0.02730	0.00000	0.21570	1.35750
0.02670	0.02640	0.02550	0.00000	0.28180	1.43170
0.02410	0.02430	0.02320	0.01300	0.28030	1.44280
0.02090	0.02290	0.01900	0.01850	0.27810	1.42730
0.04370	0.02240	0.01650	0.01690	0.26040	1.41820
0.04190	0.04830	0.01440	0.02500	0.23970	1.42480





**Moraga-Orinda Fire Protection District**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2017-18</u>		
		<u>Assessed Valuation</u>	<u>Rank</u>	<u>% of Net AV</u>
OG Property Owner, LLC	Orinda	\$ 42,701,663	1	0.40%
PWRP-Moraga, LP	Commercial Moraga	38,163,237	2	0.36
Orinda Dunhill, LLC	Commercial Orinda	32,404,793	5	0.30
Davidon Homes	Vacant Orinda	31,735,340	3	0.30
Taylor Morrison of California, LLC	Vacant Orinda	29,884,133	4	0.28
Pine Grove, LLC	Commercial Orinda	29,429,525	6	0.28
Russell J Bruzzone, INC	Commercial Moraga	22,610,232	7	0.21
Summerhill RL, LLC	Vacant Moraga	19,201,035	8	0.18
ASC Moraga, LLC	Commercial Moraga	12,732,486	9	0.12
Vanguard Apartment, LLC	Residential Moraga	11,513,074	10	0.11
GLL BVK Properties, LP	Commercial Orinda			
R Jacobs Family, LP	Commercial Orinda			
PK I Rheem Valley, LP	Commercial Moraga			
Orinda Country Club	Commercial Orinda			
Oakmont of Moraga, LLC	Institutional Moraga			
AXA Rosenberg Group, LLC	Unsecured Orinda			
Charles H Esserman Trust	Residential Orinda			
Scott C and Lisa A Kovalik Trust	Residential Orinda			
		<u>\$ 270,375,518</u>		<u>2.53%</u>

Source: HdL, Coren and Cone

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<b>2008-09</b>			
<b>Assessed</b>		<b>Rank</b>	<b>% of</b>
<b>Valuation</b>			<b>Total</b>
\$ 46,454,280		1	0.61%
19,987,440		5	0.26
29,580,000		2	0.39
29,054,287		3	0.38
22,962,636		4	0.30
10,511,389		6	0.14
10,119,827		7	0.13
9,963,490		8	0.13
9,000,000		9	0.12
8,614,157		10	0.11
<u>\$ 196,247,506</u>			<u>2.57%</u>



**Moraga-Orinda Fire Protection District**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
2009	\$ 16,407,887	\$ 16,407,887	100%
2010	16,827,597	16,827,597	100%
2011	16,882,276	16,882,276	100%
2012	16,524,808	16,524,808	100%
2013	16,471,345	16,471,345	100%
2014	17,670,263	17,670,263	100%
2015	19,235,848	19,235,848	100%
2016	20,693,314	20,693,314	100%
2017	22,121,300	22,121,300	100%
2018	23,220,123	23,220,123	100%

Source: Administrative Services Division

Note: Taxes reported and collected under the Teeter Plan are distributed to the District in the year of the levy. Contra Costa County retains any interest or penalties on uncollected balances.



**Moraga-Orinda Fire Protection District**  
**Ratio of Outstanding Debt by Type**  
**Last Test Fiscal Years**

<b>Fiscal Year</b>	<b>Pension Obligation Bonds</b>	<b>Equipment Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2009	\$27,385,000.00	\$ 850,461.00	#####	1.12%	\$ 834
2010	26,650,000	289,888	26,939,888	0.96%	788
2011	25,760,000	-	25,760,000	1.00%	762
2012	24,705,000	-	24,705,000	0.96%	726
2013	23,475,000	-	23,475,000	0.90%	687
2014	22,050,000	-	22,050,000	0.83%	640
2015	20,420,000	424,554	20,844,554	0.73%	594
2016	18,565,000	4,411,692	22,976,692	0.77%	652
2017	16,465,000	6,983,333	23,448,333	0.78%	658
2018	14,105,000	6,108,833	20,213,833	0.67%	559

Source: Administrative Services Division, State of California, Department of Finance, Employment Development Department



**Moraga-Orinda Fire Protection District**  
**Direct and Overlapping Debt**  
**June 30, 2018**

**2017-18 Assessed Valuation** \$ 10,701,070,113

	<b>Gross Bonded Debt Balance</b>	<b>Percent Applicable <sup>(1)</sup></b>	<b>Net Bonded Debt</b>
<b>Direct Debt</b>			
307400 PENSION	\$ 14,105,000	100.000%	\$ 14,105,000
307400 CAPITAL LEASE	174,450	100.000%	174,450
307400	5,934,383	100.000%	<u>5,934,383</u>
<b>Total Direct Debt</b>			<u>20,213,833</u>
<b>Overlapping Tax and Assessment Debt</b>			
100300 COUNTY	505,238,250	5.544	28,011,058
400800 BART 2013 GO	85,248,328	5.544	4,726,277
400800 BART 2015 GO	114,264,583	5.544	6,334,975
400800 BART 2017 GO	35,111,637	5.544	1,946,634
400800 BART 2017 GO	112,542,876	5.544	6,239,522
402700 EAST BAY	903,072	5.544	50,067
402700 2012	8,810,352	5.544	488,457
402700 2013A MEASURE	11,748,576	5.544	651,356
402700 2017A-1 MEASURE	21,604,591	5.544	1,197,786
402700 2017A-2 MEASURE	12,962,754	5.544	718,672
402700 2017B-1	10,588,410	5.544	587,035
402700 2017B-2	8,661,280	5.544	480,192
402700 EAST BAY PARKS	5,867,807	5.544	325,319
421800 2014 GO BOND	7,700,000	100.000	7,700,000
421800 2014 GO BOND	10,000,000	100.000	10,000,000
421800 2015 REFUNDING	7,040,000	100.000	7,040,000
421800 2016 GO BOND	25,000,000	100.000	25,000,000
509100 ACALANES UNION	66,121,424	31.903	21,094,606
509600 ACALANES UNION	232,952,772	31.903	74,318,529
529100 LAFAYETTE	68,775,000	0.179	123,295
539100 MORAGA	17,980,000	100.000	17,980,000
549000 ORINDA	10,415,075	99.814	10,395,654
792100 CONTRA COSTA	167,410,000	5.564	9,314,844
792200 CONTRA COSTA	286,815,000	5.564	15,958,647
792300 CONTRA COSTA	84,440,000	5.564	<u>4,698,318</u>
<b>Total Overlapping Tax and Assessment Debt</b>			<u>255,381,245</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 275,595,078 <sup>(2)</sup></u>
<b>Ratios to Assessed Valuation</b>			
Combined Direct Debt		0.19%	
Total Overlapping Tax and Assessment Debt		2.39%	
Combined Total Debt		2.58%	

<sup>(1)</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the District.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Source: HdL Coren and Cone, Contra Costa County Assessor and Auditor.



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**Moraga-Orinda Fire Protection District  
 Legal Bonded Debt Margin  
 Last Ten Fiscal Years  
 (Thousands)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 283,324,659	\$ 294,649,434	\$ 292,105,274	\$ 286,936,449	\$ 289,421,051
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 283,324,659</u>	<u>\$ 294,649,434</u>	<u>\$ 292,105,274</u>	<u>\$ 286,936,449</u>	<u>\$ 289,421,051</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Assessed value - secured	\$ 10,647,964,837
Debt limit (3.75% of assessed value) (a)	399,298,681
Debt applicable to limit: None	<u>-</u>
Legal debt margin	<u>\$ 399,298,681</u>

(a) California Health and Safety Code, Section 13937 sets the debt limit at 10%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: HdL, Coren and Cone

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<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 306,973,464	\$ 332,122,988	\$ 356,768,195	\$ 378,464,933	\$ 399,298,681
-	-	-	-	-
<u>\$ 306,973,464</u>	<u>\$ 332,122,988</u>	<u>\$ 356,768,195</u>	<u>\$ 378,464,933</u>	<u>\$ 399,298,681</u>
0%	0%	0%	0%	0%





**Moraga-Orinda Fire Protection District**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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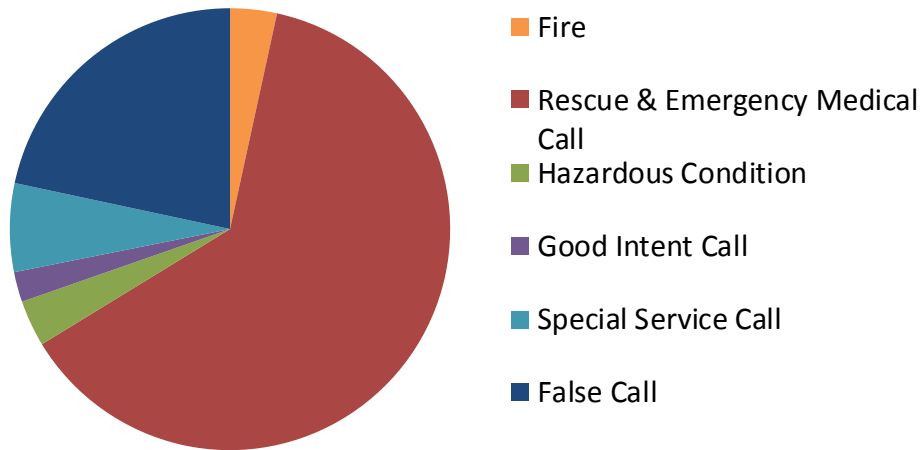
<b>Calendar Year</b>	<b>Town of Moraga Population</b>	<b>City of Orinda Population</b>	<b>Total Population</b>	<b>Per Capita Personal Income</b>	<b>Personal Income (Thousands)</b>	<b>Unemployment Rate</b>
2009	16,204	17,669	33,873	\$74,250	\$2,515,070	4.0%
2010	16,332	17,866	34,198	82,339	2,815,829	4.3%
2011	16,076	17,712	33,788	76,163	2,573,395	4.0%
2012	16,168	17,839	34,007	75,432	2,565,216	2.6%
2013	16,238	17,925	34,163	76,023	2,597,174	2.5%
2014	16,348	18,089	34,437	77,509	2,669,177	2.4%
2015	16,466	18,612	35,078	81,141	2,846,264	2.5%
2016	16,513	18,749	35,262	84,985	2,996,741	2.9%
2017	16,676	18,935	35,611	87,033	3,099,332	2.3%
2018	16,991	19,199	36,190	94,377	3,414,056	1.9%

Source: State of California Department of Finance, Employment Development Department.



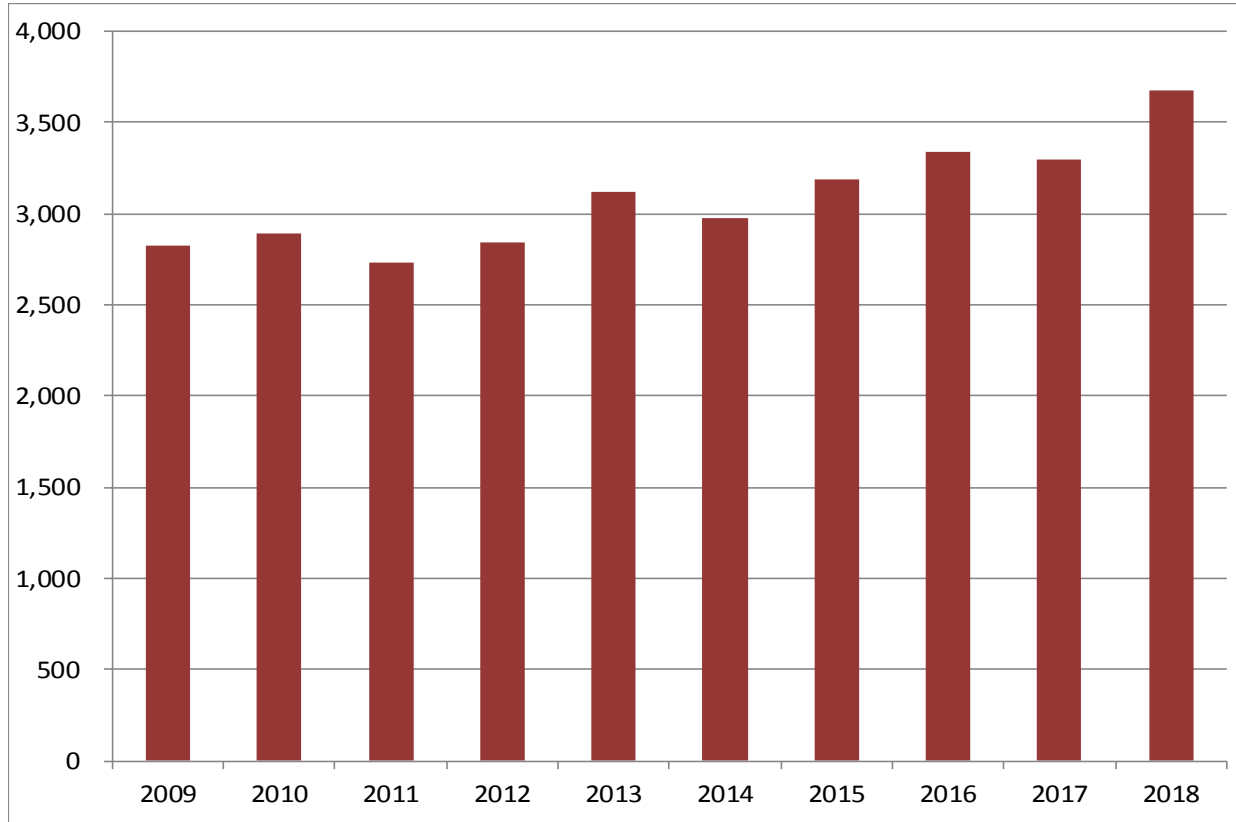
**Moraga-Orinda Fire Protection District**  
**Emergency Response Detail Analysis**  
**Fiscal Year 2017 - 2018**

<u>Category</u>	<u>Number of Incidents</u>	<u>Percent of Total Responses</u>
Fire	126	3.4%
Rescue & Emergency Medical Call	2,308	62.9%
Hazardous Condition	124	3.4%
Good Intent Call	81	2.2%
Special Service Call	238	6.5%
False Call	795	21.7%
<b>Total</b>	<b>3,672</b>	<b>100.0%</b>





**Moraga-Orinda Fire Protection District**  
**Total Emergency Responses**  
**Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Number of Emergency Responses</u>
2009	2,824
2010	2,889
2011	2,735
2012	2,838
2013	3,121
2014	2,976
2015	3,189
2016	3,341
2017	3,296
2018	3,672



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Moraga-Orinda Fire Protection District  
Moraga, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Moraga-Orinda Fire District (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California  
October 29, 2018

**MORAGA-ORINDA FIRE PROTECTION  
DISTRICT**

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures for  
Appropriations Limit Calculation**

**For the Year Ended June 30, 2018**



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO THE ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION**

Governing Board  
Moraga-Orinda Fire Protection District  
Moraga, California

We have performed the procedures enumerated below to the Appropriations Limit calculation of the Moraga-Orinda Fire District (District) for the year ended June 30, 2018. These procedures, which were agreed to by the District, were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The District’s management is responsible for the Appropriations Limit calculation. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings are as follows:

1. We obtained completed worksheets and compared the 2017-2018 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by Resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

2. We added last year’s limit to the total adjustments and compared the resulting amount to this year’s limit. See the accompanying Gann Appropriations Limit Schedule.

Findings: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Gann Appropriations Limit Schedule to the worksheet described in No. 1 above.

Findings: No exceptions were noted as result of our procedures.



**Attachment B**  
**MORAGA-ORINDA FIRE PROTECTION DISTRICT**  
Gann Appropriations Limit Schedule  
For the year ended June 30, 2018

4. We compared the prior year appropriations limit, presented in the accompanying Gann Appropriations Limit Schedule, to the prior year appropriations limit adopted by the District for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the District Council and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinck, Trinc, Day & Co. LLP*

Palo Alto, California  
October 31, 2018

**Attachment B**  
**MORAGA-ORINDA FIRE PROTECTION DISTRICT**  
 Gann Appropriations Limit Schedule  
 For the year ended June 30, 2018

	<u>Amount</u>	<u>Source</u>
A. Appropriations limit for they year ended June 30, 2017	\$ 26,712,286	Prior year schedule
B. Calculaiton Factors:		
1. Population change %	1.0113	State Department of Finance
2. Per capita personal income change %	1.0369	State Department of Finance
3. Total adjustement factor	1.0486	B1*B2
C. Annual adjustment increase	1,298,670	(B3-1.0)*A1
D. Other adjustments	NA	
E. Total adjustments	1,298,670	(C+D)
F. Appropriations limit for the year ended June 30, 2018	\$ 28,010,956	(A+E)



VAVRINEK, TRINE, DAY & CO., LLP  
Certified Public Accountants

VALUE THE *difference*

October 31, 2018

Governing Board  
Moraga-Orinda Fire Protection District  
Moraga, California

We have audited the financial statements of the governmental activities and each major fund of the Moraga-Orinda Fire Protection District (District), for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimates of the following: Net pension liability is based on an actuarial valuation performed in accordance with the parameters of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions* and estimates related to the Net Other Postemployment Liability is based on an actuarial valuation performed in accordance with the parameters of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We evaluated the key factors and assumptions used to develop those liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

As described in notes to the financial statements, the District's disclosure of the defined benefit pension plan and OPEB plan, net pension liability/net OPEB liability and related deferred inflows of resources and deferred outflows of resources required by the District's reporting of the related information, are particularly sensitive. As disclosed in notes, a 1% increase or decrease in the discount rate has a material effect on the District's net pension and OPEB liabilities.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

# Attachment C

## *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 31, 2018.

## *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Changes in Net OPEB Liability and Schedule of Pension and OPEB Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## Restriction on Use

This information is intended solely for the use of Board and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
October 31, 2018



# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** David Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 8.6 – State Homeland Security Grant Acceptance

---

## **BACKGROUND**

The District is part of a regional grant from the State Homeland Security Department. The grant was awarded to the Contra Costa County Fire Protection District to provide mobile data terminals, mounts and installation for front-line apparatus. The District is a regional partner agency for the grant.

The grant will provide the District with 15 second generation iPad Pros. The new iPads will be deployed in the District's apparatus to replace legacy mobile data terminals. The grant includes 15 new iPads that are Wi-Fi and cellular compatible, warranty, 15 mounts, 15 vehicle power solutions (cable and dual USB vehicle chargers), removal of legacy mobile data terminals and installation of the new equipment. The grant covers the full cost of the equipment and installation. The District is responsible to repair or replace any iPads that are broken. The District is also responsible to participate in any grant audits and to track the grant funded equipment.

District policy A2.05.01 requires board approval for acceptance of grants.

## **FISCAL IMPACT**

Accepting the grant comes at no cost to the District.

## **RECOMMENDATION**

- 1) Discuss; 2) Deliberate; 3) Provide approval to accept the State Homeland Security Grant and authorize staff to execute the Memorandum of Understanding with Contra Costa County Fire Protection District.

## **ATTACHMENTS**

- 1) Attachment A – Memorandum of Understanding with Contra Costa County Fire Protection District.



## CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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### I. **Purpose**

To establish a Memorandum of Understanding (MOU) between the Contra Costa County Fire Protection District (hereinafter “CON”) and the Regional Partner Agencies (listed below), to provide mobile data terminals, mounts, and installation for front-line apparatus at each agency, as part of a 2016 State Homeland Security Grant Program (SHSGP) regional grant award.

CON and the Regional Partner Agencies accept and agree to abide by the terms and conditions of the grant, *HSGP FY2016 Mobile Data Terminals/Mounts/Install*, as set forth in this MOU. All parties agree that Federal funds under this award will be used to supplement, but not supplant, State or local funds for first responder preparedness.

### II. **Definitions**

**2016 SHSGP** refers to the Fiscal Year 2016 State Homeland Security Grant Program.

**Regional Partner Agencies** refers to the following eight (8) fire service agencies: East Contra Costa Fire Protection District (CCE), San Ramon Valley Fire Protection District (SRV), City of Richmond Fire Department (RMD), City of El Cerrito Fire Department (ECR), Moraga-Orinda Fire Protection District (MOR), City of Pinole Fire Department (POE), Rodeo-Hercules Fire Protection District (RDO), and Crockett-Carquinez Fire Protection District (CRK).

**Equipment** refers to mobile data terminals and necessary mounts, as allowed by the 2016 SHSGP.

### III. **Background to the State Homeland Security Grant Program**

The purpose of the SHSGP is to support the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other catastrophic events. The Contra Costa County Sheriff's Office (CCCSO), as a sub-grantee of the California Governor's Office of Emergency Services 2016 SHSGP, determined that CON and the Regional Partner Agencies met the program's purpose and authorized funds to be used toward the purchase of 215 mobile data terminals, mounts, and associated installation costs.

### IV. **Responsibilities of CON**

As the host and lead for the regional *HSGP FY2016 Mobile Data Terminals/Mounts/Install* project, CON will:

- a. Manage grant activities including, but not limited to, preparing project and fiscal reports for CCCSO.
- b. Coordinate with the Regional Partner Agencies throughout the grant term.



## Attachment A

# CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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- c. Procure the equipment in compliance with Federal and local procurement policies and requirements.
- d. Receive, inventory and distribute equipment to the Regional Partner Agencies.
- e. Act as the fiscal agent for the grant including:
  - 1. Approve and arrange for payment to vendors (using CCCSO's 2016 SHSGP org and option code)
  - 2. Prepare and submit fiscal and program reports to CCCSO,
- f. Abide by the California Governor's Office of Emergency Services FY2016 SHSGP Grant Assurances.

## V. Responsibilities of Regional Partner Agencies

Each Regional Partner Agency will:

- a. Assure inventory tracking, operational readiness, and maintenance of its equipment and supply written verification on or before any established deadlines, and/or as requested by CON or CCCSO, in accordance with grant requirements.
- b. Provide the following assigned liaison(s):
  - 1. Project Lead: Primary point of contact, responsible for coordinating equipment installation for own agency.
  - 2. Fiscal Lead: Contact responsible for accounting, fiscal reporting, and payments (if applicable).
- c. Assume liability for loss, damaged, and/or destruction of its equipment and may be required to replace (at its own expense) such equipment.
- d. Promptly provide any additional documentation to CON and/or CCCSO as requested that may be necessary in connection with the grant.
- e. Promptly return any and all equipment that is received in error to the CCCFPD Project Lead.
- f. Maintain a record log of equipment and inventory tracking, in accordance with grant requirements.
- g. Maintain all equipment and grant records, files, and supporting documentation in the event of an audit for three years after the official closeout as notified by CCCSO.
- h. Abide by the California Governor's Office of Emergency Services FY2016 SHSGP Grant Assurances.

## VI. Duration of the MOU

- a. This MOU shall terminate when all 2016 SHSGP obligations requiring action by CON have been completed including receiving all required documentation from the Regional Partner Agencies prior to the closeout of the 2016 SHSGP grant.

Records are required to be maintained by all parties in the event of an audit for three years after the official closeout as notified by CCCSO.



## **CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT**

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### **VII. Entire Agreement; Amendments**

This MOU, including Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this agreement. This MOU may only be amended by written agreement if approved in advance by all parties according to the grant terms and conditions.

### **VIII. Points of Contact**

A list identifying each agency's Points of Contact shall be provided to and maintained by CON. Exhibit A indicates the initial points of contacts for each Regional Partner Agency.

### **IX. Budget and Equipment Allocation**

The budget for the equipment is based upon a signed agreement with the vendor and is attached as Exhibit B.

### **X. No Joint Venture**

This MOU shall not create between the parties a joint venture, partnership, or any other relationship of association.

### **XI. No Grant of Agency**

Except as the parties may specify in writing, no party shall have authority, expressed or implied, to act on behalf of the other parties in any capacity whatsoever as an agent. No party shall have any authority, express or implied, pursuant to this MOU, to bind the other party to any obligation whatsoever.

### **XII. Independent Contractor**

Nothing herein shall be construed as or deemed to create the relationship of employer/employee or principal/agent between the parties to this MOU. Each party shall assume responsibility for all personnel costs for its respective employees, including salaries, fringe benefits, overtime, Workers' Compensation insurance coverage, and Federal and State income tax withholding, including, but not limited to, the Federal Income Tax (FIT), State Income Tax (SIT), Federal Insurance Contributions Act (FICA), State Unemployment Insurance (SUI), State Disability Insurance (SDI), and any other deductions from income that such party is required to make.

### **XIII. Indemnity**

Each party hereto (hereafter "INDEMNIFYING PARTY") shall indemnify, defend and hold harmless the other parties, and their respective officers, agents and employees, from and against any and all losses, costs, damages, expenses, claims, suits, demands, or liability of any kind or character, including but not limited to reasonable attorney fees, to the extent arising from any negligent, reckless or intentional act or omission of the INDEMNIFYING





## CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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PARTY, its officers, agents or employees, which occurs in the performance of, or otherwise in connection with this MOU.

It is the intention of the parties that where fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, subcontractors, and volunteers.

The indemnity provisions of this MOU shall survive the termination of this MOU.

### **XIV. Insurance or Self-Insurance**

Each party to this MOU, at its sole cost and expense, shall insure its activities in connection with this MOU, and obtain, keep in force, and maintain insurance or equivalent programs of self-insurance, for general liability, professional liability, Workers' Compensation, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) day's advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverage.

### **XV. Acknowledgement of Understanding**

Each of the parties hereto acknowledges that it has read this MOU, understands it, and agrees to be bound by its terms and conditions.

Contra Costa County Fire Protection District	East Contra Costa Fire Protection District
By: _____	By: _____
Date: _____	Date: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
San Ramon Valley Fire Protection District	Richmond Fire Protection Department
By: _____	By: _____
Date: _____	Date: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____



# Attachment A

## CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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<p>El Cerrito Fire Protection Department</p> <p>By: _____</p> <p>Date: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>	<p>Pinole Fire Protection Department</p> <p>By: _____</p> <p>Date: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>
<p>Moraga-Orinda Fire Protection District</p> <p>By: _____</p> <p>Date: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>	<p>Rodeo-Hercules Fire Protection District</p> <p>By: _____</p> <p>Date: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>
<p>Crockett-Carquinez Fire Protection District</p> <p>By: _____</p> <p>Date: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>	



# Attachment A

## CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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### EXHIBIT A POINTS OF CONTACT

REGIONAL PARTNER	LEAD POSITIONS	NAME	CONTACT NO.	EMAIL
CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT	<i>Project Lead</i>	A.C. Will Pigeon	925-305-0955	Wpige@cccfd.org
	<i>Fiscal</i>	C.A.S Jackie Lorrekovich	925-941-3300 ext 1300	Jlorr@cccfd.org
	<i>Documentation</i>	Fire Captain Shane Kelly	925-822-2052	Skell@cccfd.org
	<i>Project Lead</i>			
	<i>Fiscal</i>			
	<i>Documentation</i>			



**CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT**

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**EXHIBIT B  
BUDGET AND ALLOCATION OF MDTs, MOUNTS AND INSTALL**

REGIONAL PARTNER	\$ EA QUANTITY	DESCRIPTION	TOTAL	SHSGP SHARE	COST MATCH
CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT		<i>Equipment</i>	\$		
		<b>TOTAL</b>	\$	\$	\$ 0
		<i>Equipment</i>	\$		
		<b>TOTAL</b>	\$	\$	\$ 0

Grant Award - \$ 362,875 \$ 0

Total Approved Project Costs - \$362,875



# Moraga-Orinda Fire District

**TO:** Board of Directors

**FROM:** David Winnacker, Fire Chief  
Gloriann Sasser, Administrative Services Director

**DATE:** December 5, 2018

**SUBJECT:** Item 8.7 – Moraga-Orinda Fire Protection District Public Facilities Financing Corporation Staffing and Appropriateness

---

## **Background**

On November 7, 2018, the Board directed staff to place on the Agenda of the next Board meeting an item to discuss how the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Financing Corporation) is staffed and the appropriateness of the Financing Corporation.

## **Financing Corporation Establishment and Mission**

On March 16, 2016, the Board passed Resolution No. 16-06 (Attachment A) based on a 3-1 vote (3 ayes, 1 no and 1 director absent.) The Resolution included the following:

- Approved the formation of the Financing Corporation in order to provide assistance to the District through facilitating public financing.
- The Financing Corporation shall be governed by a board of directors consisting of the members of the Board of Directors of the District.
- Approved the Articles of Incorporation

The Financing Corporation is a nonprofit public benefit corporation. Per the Bylaws Section 2.2 (Attachment B), the mission of the Financing Corporation is to provide assistance to the District in financing the acquisition, construction and improvement of public buildings, works and equipment for the District, together with site development, landscaping, utilities, furnishings and appurtenance and related facilities.

## **Financing Corporation Staffing**

Per Resolution No. 16-06 and the Bylaws Section 5.2, the individuals who serve as the members of the board of directors of the District shall constitute the members of the board of directors of the Financing Corporation, and each member of the District Board shall be and remain a member of the Financing Corporation Board of Directors for so long as he or she remains a member of the District Board.

On April 20, 2016, Per Resolution No. 16-01 of the Financing Corporation (Attachment C), the Financing Corporation Board of Directors appointed the initial Board of Directors of the Financing Corporation. The initial Board of Directors of the Financing Corporation were appointed to the offices until their successors are duly qualified and appointed.

### **Alternative Finance Corporation Staffing**

If members of the District board do not want to serve as members of the board of directors of the Financing Corporation, the board could amend the Financing Corporation Bylaws to appoint staff as Financing Corporation board members.

### **History of Leasing in Public Finance in California**

In order to issue debt, California cities, counties, school districts and special districts are required to obtain 2/3 voter approval. According to the California Debt Advisory Commission, tax-exempt leasing is a unique form of public finance that started in California. California is one of only a few states that requires the 2/3 supermajority voter approval of local agency general obligation bonds. Tax-exempt leasing permits local agencies to bypass this prohibitive barrier and build public facilities. Leasing allows public agencies to finance capital projects by leveraging general fund revenues, rather than raising new taxes or reducing services. This also allows public agencies to finance the cost of public facilities across the life of the asset, instead of having to pay for the asset all at once. This results in costs being paid by current and future taxpayers who benefit from the facilities.

Leasing is a common way for California public agencies to finance capital projects. In 2005 and 2015 the City of Orinda used the Orinda Facilities Financing Corporation to obtain lease financing to finance and refinance the cost of the new Orinda city offices. In 2010 the Town of Moraga used the ABAG Finance Authority for Nonprofit Corporations to obtain lease financing to finance the cost of the Moraga Town Hall Improvement Project. According to the California Debt and Investment Advisory Commission, 31 capital leases totaling \$152M were issued by California local public agencies during the period January 1, 2018 through October 31, 2018.

### **Appropriateness of the Financing Corporation**

Meyers Nave acted as special counsel in connection with the execution and delivery by the District of the Lease/Purchase Agreement between the District and the Financing Corporation (Attachment D.) In their final opinion, they are of the opinion that under existing law the Lease/Purchase Agreement and the Site Lease have been duly authorized, executed and delivered by the District and constitute legal, valid and binding obligations of the District.

All accounting and administrative functions of the Financing Corporation are performed by the District. The Financing Corporation is included as a blended component unit in the District's Comprehensive Annual Financial Report.

### **Recommended Action**

Staff requests board direction regarding the Financing Corporation staffing and appropriateness.

### **Attachments**

- 1) Attachment A – Resolution NO. 16-06 Approving the Formation of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation as a California Nonprofit Public Benefit Corporation and Related Matters
- 2) Attachment B – Bylaws of Moraga-Orinda Fire Protection District Public Facilities Financing Corporation

- 3) Attachment C – Resolution NO. 16-01 of the Board of Directors of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation Approving Bylaws, Appointing Officers and Approving and Authorizing Organizational Actions
- 4) Attachment D – Meyers Nave Final Opinion of Special Counsel dated May 25, 2016

**RESOLUTION NO. 16-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MORAGA-ORINDA FIRE PROTECTION DISTRICT  
APPROVING THE FORMATION OF THE  
MORAGA-ORINDA FIRE PROTECTION DISTRICT  
PUBLIC FACILITIES FINANCING CORPORATION AS A  
CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION AND  
RELATED MATTERS**

WHEREAS, the Moraga-Orinda Fire Protection District (the “District”) desires to finance the acquisition, construction and improvement of public buildings, works and equipment for the District, together with site development, landscaping, utilities, furnishings and appurtenance and related facilities (the “Public Financings”); and

WHEREAS, this Board of Directors has determined that accomplishment of the Public Financings can be facilitated by the formation of California nonprofit public benefit corporation by the District; and

WHEREAS, this Board of Directors wishes at this time to approve the formation of a California nonprofit public benefit corporation to be known as Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (the “Corporation”), in order to facilitate the Public Financings; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Moraga-Orinda Fire Protection District that it hereby:

Section 1. Findings. The Board of Directors hereby finds that formation of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation will provide assistance to the District through facilitating the Public Financings.

Section 2. Formation of Corporation. The Board of Directors hereby authorizes and approves the formation of the Corporation under the Nonprofit Public Benefit Corporation Law of the State of California (California Corporations Code Section 5110 et seq.), for the purpose of facilitating the Public Financings.

Section 3. Approval of Articles of Incorporation. The Board of Directors hereby approves the Articles of Incorporation in the form on file with the Clerk to the Board and authorizes the formation of the Corporation pursuant to the Articles of Incorporation.

Section 4. Governing Board of the Corporation. The Corporation shall be governed by a board of directors (the “Corporation Board”) consisting of the members of the Board of Directors of the District. Following the formation of the Corporation, the Corporation Board shall hold a special meeting to consider approving Bylaws, appointing officers and authorizing other organizational matters.



## Attachment A

PASSED, APPROVED and ADOPTED this 16th day of March, 2016 at a regular meeting of the Board of Directors of the Moraga-Orinda Fire Protection District held on March 16, 2016, at 1500 St. Mary's Road, Moraga, California 94556, on a motion made by Director Evans, seconded by Director Barber, and duly carried with the following vote.

AYES: Directors Anderson, Barber, and Evans

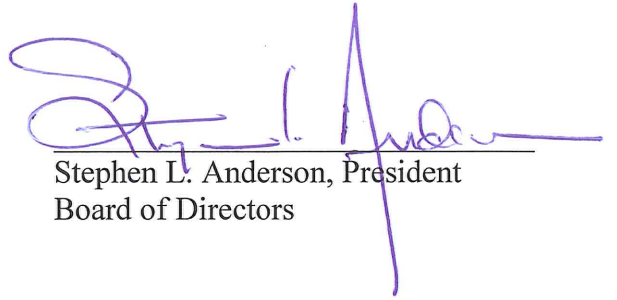
NOES: Director Weil

ABSENT: Director Famulener

ABSTAIN: None

Attachment A

Dated: March 16, 2016



Stephen L. Anderson, President  
Board of Directors

ATTEST:



Grace Santos, District Clerk

**BYLAWS**

**OF**

**MORAGA-ORINDA FIRE PROTECTION DISTRICT  
PUBLIC FACILITIES FINANCING CORPORATION  
A California Nonprofit Public Benefit Corporation**

**ARTICLE I - NAME AND OFFICES**

1.1 Name. The name of this corporation is Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (hereinafter, the “Corporation”).

1.2 Principal Office. The principal office of the Corporation shall initially be located at 1280 Moraga Way, Moraga, CA 94556, in Contra Costa County, California. The board of directors of the Corporation (hereinafter, the “Board of Directors”) may change the location of the principal office to another location within the cities of Moraga or Orinda. Any such change of address will be noted by the Secretary of the Corporation in these Bylaws. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

1.3 Other Offices. The Board of Directors may establish branch or subordinate offices at any time and at any place within the cities of Moraga or Orinda.

**ARTICLE II – PURPOSES, OBJECTIVES AND POWERS; LIMITATIONS**

2.1 Public and Charitable Purpose; Nonpartisan Activities. The Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the public and charitable purposes described in its Articles of Incorporation. Notwithstanding any other provision of these Bylaws, no director, officer, employee or agent of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be carried on by an organization exempt from Federal income tax under Section 501(3) of the Internal Revenue Code or by an organization to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code.

## Attachment B

2.2 Purpose and Objectives. The mission of the Corporation is to provide assistance to the Moraga-Orinda Fire Protection District (the “District”) in financing the acquisition, construction and improvement of public buildings, works and equipment for the District, together with site development, landscaping, utilities, furnishings and appurtenance and related facilities.

### **ARTICLE III – DEDICATION OF ASSETS**

The property of the Corporation is irrevocably dedicated to public and charitable purposes, and no part of the net earnings of the Corporation shall ever inure to the benefit of any of its directors, officers or members or to the benefit of any private person. Upon the dissolution and winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts, obligations and liabilities of this Corporation shall be distributed to the District for a public purpose, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Internal Revenue Code section 501(c)(3) or the corresponding section of any future federal tax code, which has been designated by the District to receive such assets and which is organized and operated for a charitable purpose meeting the requirements of California Revenue and Taxation Code Section 214.

### **ARTICLE IV – MEMBERS**

4.1 No Members. The Corporation shall have no “members” as that term is defined by California Corporations Code Section 5056, and shall be governed solely by its Board of Directors in accordance with these Bylaws. Pursuant to California Corporations Code Section 5310, any action which would otherwise require approval by a majority of all members, shall instead require the approval of a majority of the Board of Directors.

### **ARTICLE V - DIRECTORS**

5.1 Powers. Subject to the limitations stated in the Articles of Incorporation, these Bylaws, the California Nonprofit Public Benefit Corporation Law, and all other applicable laws, all corporate powers shall be exercised by or under the direction of, and the business and affairs of the Corporation shall be managed by, the Board of Directors.

5.2 Number of Directors; Designation, Tenure; Vacancies. The Corporation shall have five (5) directors. The individuals who serve as the members of the board of directors of the District (the “District Board”) shall constitute the members of the Board of Directors, and each member of the District Board shall be and remain a member of the Board of Directors for so long as he or she remains a member of the District Board.

## Attachment B

5.3 Compensation. Directors shall serve without compensation, but each director may be reimbursed his or her necessary and actual expenses, including travel incident to his or her services as director, subject to any rules that may be imposed upon the adoption of a reimbursement policy by the Board of Directors. Any director may decline such reimbursement.

5.4 Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it other than those performed as a director within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

5.5 Nonliability for Debts. The private property of the directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation, and no director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

5.6 Indemnity by Corporation for Litigation Expenses of Officers and Directors. To the fullest extent permitted by law, the Corporation shall indemnify any present or former director, officer, employee or other “agent” of the corporation, as that term is defined in California Corporations Code Section 5238(a), against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in California Corporations Code Section 5238(a). Expenses incurred in defending any proceeding may be advanced by the Corporation as authorized in Section 5238 prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall be ultimately determined that the director or officer is entitled to be indemnified.

5.7 Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such. The Corporation may obtain liability insurance or the equivalent of insurance which covers the directors and executive officers issued either in the form of a general liability policy or a director’s and officer’s liability policy consistent with the requirements of California Corporations Code Section 5239.

## ARTICLE VI – MEETINGS OF THE BOARD OF DIRECTORS

6.1 Ralph M. Brown Act. All meetings of the Board of Directors, including, without limitation, regular, adjourned regular, special, and adjourned special meetings of the Board of

## Attachment B

Directors shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code), or any successor legislation hereinafter enacted (the “Brown Act”).

6.2 Regular Meetings. The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board of Directors. If the President of the Board of Directors determines that there is no business required to be transacted by the Board of Directors at any such regular meeting, such regular meeting shall not be required to be held. Notice of regular meetings of the Board of Directors shall be given in accordance with Section 6.1 and 6.6 of these Bylaws and shall state the time and place of the meeting and the business to be transacted.

6.3 Special Meetings. Subject to the provisions of Section 6.1 of these Bylaws, special meetings of the Board of Directors may be held whenever called by the President of the Board of Directors or any two (2) directors of the Corporation. Notice of special meetings shall be given in accordance with Section 6.1 and 6.6 of these Bylaws and shall state the time and place of the meeting and the business to be transacted.

6.4 Place of Meetings. Subject to the provisions of Section 6.1 of these Bylaws, meetings of the Board of Directors shall be held at any place within or without the state of California which may be designated in the notice of the meeting. In the absence of such designation, meetings of the Board of Directors shall be held at the principal office of the Corporation.

6.5 Telephonic Meetings. Provided that all requirements of the Brown Act are satisfied, members of the Board of Directors may participate in a regular or special meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can communicate with each other concurrently and each member is provided the means of participating in all matters before the Board of Directors, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

6.6 Notice of Meetings. Notice of any meeting of the Board of Directors shall be delivered to the directors and publicly posted pursuant to the Brown Act not less than seventy-two (72) hours prior to each regular meeting and not less than twenty-four (24) hours prior to each special meeting. Notice to the directors may be communicated in person or by first-class or express mail (provided however, at least four (4) days notice shall be required if delivered by regular mail), telephone, including a voice messaging system, email, facsimile or other electronic means of communication.

6.7 No Action Without Meeting. The Board of Directors may not take any action by unanimous written consent or in any other manner without a meeting and without prior notice as required by this Article VI.

6.8 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every action taken or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the

## Attachment B

Board of Directors, unless the Articles, these Bylaws, or the California Nonprofit Public Benefit Corporation Law specifically requires a greater number. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting as provided in Section 6.9 of these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough directors to leave less than a quorum, if any action taken is approved by at least a majority of the required quorum for such meeting.

6.9 Adjournment. Subject to the provisions of Section 6.1 of these Bylaws, any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the directors present. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

### ARTICLE VII - COMMITTEES

7.1 Committees of the Board of Directors. The Board of Directors may, by resolution designate committees, consisting of two (2) or more directors to serve at the pleasure of the Board of Directors. Such committees shall have such power and authority as may be determined by resolution of the Board of Directors, subject to the limitations imposed on such power and authority by the Nonprofit Corporation Law or the Articles. No committee shall have authority to bind the Corporation in a contract or agreement or expend corporate funds.

7.2 Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board of Directors. The members of any Advisory Committee may consist of directors and non-directors. Advisory Committees may not exercise the authority of the Board of Directors to make decisions on behalf of the Corporation, but shall be limited to making recommendations to the Board of Directors and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board of Directors.

7.3 Meetings and Actions of Committees. Meetings and actions of all committees, except advisory committees (unless otherwise required by the Brown Act), shall be governed by, and held and taken in accordance with, the provisions of Article 6 of these bylaws, concerning meetings and actions of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors, by the chair of such committee or by a majority of the members of such committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee.

7.4 Minutes and Reports. Each committee shall keep regular minutes of its proceedings, which shall be filed with the Secretary of the Corporation. All action by any

## Attachment B

committee shall be reported to the Board of Directors at the next meeting thereof, and shall be subject to revision and alteration by the Board of Directors.

### ARTICLE VIII - OFFICERS AND EMPLOYEES

8.1 Officers. The officers of the Corporation shall be a President, a Vice-President, a Treasurer, a Secretary, an Executive Director, a Finance Director and an Assistant Secretary. The same person may hold any number of offices, except that the Secretary, the Treasurer, Executive Director, the Finance Director and the Assistant Secretary may not serve concurrently as the President or the Vice-President.

8.2 Appointment of Officers. The officers of the Corporation shall be appointed as follows: (i) the President shall be the President of the District Board, (ii) the Vice-President shall be the Vice President of the District Board, (iii) the Secretary shall be the Secretary of the District Board, (iv) the Treasurer shall be the Treasurer of the District Board, (v) the Executive Director shall be the Fire Chief of the District, (vi) the Finance Director shall be the Administrative Services Director of the District, and (vii) the Assistant Secretary shall be the Clerk to the District Board.

8.3 Subordinate Officers. The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are required in these Bylaws or as the Board of Directors may from time to time determine. Subordinate officers of the Corporation, if any, shall be appointed by the Board of Directors to a one-year term.

8.4 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, subject to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.5 Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the directors then in office at any regular or special meeting of the Board of Directors, or by any officer upon whom such power of removal may be conferred by the Board of Directors.

8.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

8.7 President. The President shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be, from time to time, assigned to the President by the Board of Directors or prescribed by these Bylaws.

8.8 Vice-President. If the President is absent or disabled, the Vice-President shall perform all duties of the President. When so acting, the Vice-President shall have all powers of



## Attachment B

and be subject to all restrictions on the President. The Vice-President shall have such other powers and duties as the Board of Directors or the Bylaws may require.

8.9 Secretary. The Secretary (or Assistant Secretary) shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include all waivers of notice, consents to the holding of meetings or approvals of the minutes of meetings executed pursuant to these Bylaws or the Nonprofit Corporation Law. The Secretary (or Assistant Secretary) shall give, or cause to be given, notice of all meetings of the Board of Directors required by these Bylaws or by law to be given, and shall cause the seal of the Corporation to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

8.10 Treasurer and Finance Director. The Treasurer (or the Finance Director) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account or the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The Treasurer (or the Finance Director) shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Corporation with such depositaries or depositories as may be designated by the Board of Directors. The Treasurer (or the Finance Director) shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President, the Executive Director and the directors whenever they request it, an account of all of the Treasurer's (or the Finance Director's) transactions as Treasurer (or Finance Director), and of the financial condition of the Corporation.

8.11 Executive Director. Subject to the control, advice and consent of the Board of Directors, the Executive Director shall be responsible for the day-to-day administration of the Corporation, and shall be authorized to employ and discharge employees and agents of the Corporation; contract, receive, deposit, disburse and account for funds of the corporation; execute in the name of the Corporation all contracts and other documents authorized, either generally or specifically, by the Board of Directors to be executed by the Corporation; and negotiate all material business transactions of the Corporation.

### **ARTICLE IX - BOOKS AND RECORDS.**

9.1 Maintenance of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date and all applications and information returns filed in connection with obtaining and maintaining state and federal tax-exempt status.

9.2 Maintenance and Inspection of Other Corporate Records. The Corporation shall keep adequate and correct books and records of accounts, written minutes of the proceedings of the Board of Directors and committees of the Board of Directors, and a record of each director's name and address. All such records shall be kept at the principal office of the Corporation. The

## Attachment B

minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

9.3 Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect, copy and make extracts of, in person or by agent or attorney, all corporate books, records and documents of every kind and to inspect the physical properties of the Corporation.

9.4 Annual Report. The Board of Directors shall cause an annual report (hereinafter the "Annual Report") to be sent to the directors not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The Annual Report shall contain in appropriate detail the following:

- A. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- B. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- C. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year;
- D. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and
- E. Any information required by Section 6322 of the Nonprofit Corporation Law concerning certain self dealing transactions, indemnifications or advances took place during the fiscal year.

The Annual Report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

9.5 Audits. The Corporation shall obtain a financial audit for any fiscal year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements (a) shall be available at the Corporation's principal offices during regular business hours, and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## **ARTICLE X - CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Nonprofit Public Benefit Corporation Law as amended from time to time shall govern the construction of these bylaws. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible: (i) the remainder of these bylaws shall be considered valid and operative; and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

## **ARTICLE XI - CORPORATE SEAL AND FISCAL YEAR.**

11.1 Corporate Seal. The Board of Directors may adopt, use and alter a corporate seal. The seal shall be kept at the principal office of the corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

11.2 Fiscal Year. The fiscal year of the Corporation shall be determined, and may be changed, by resolution of the Board of Directors.

## **ARTICLE XII - AMENDMENTS**

New bylaws may be adopted or these bylaws may be amended or repealed by the affirmative vote of a majority of the Board of Directors or by the written consent thereof, except as otherwise provided by law or by the Articles. Notwithstanding the foregoing, amendment of these bylaws shall require the approval of a majority of the authorized number of directors

CERTIFICATE OF ASSISTANT SECRETARY

I hereby certify that:

I am the duly elected and acting Assistant Secretary of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation, a California nonprofit public benefit corporation; and

The foregoing Bylaws are the full, true and correct copy of Bylaws of this Corporation as adopted by the Board of Directors on April 20, 2016, and these Bylaws have not been amended or modified since that date and are in full force and effect as of the date hereof.

Dated: April 20, 2016

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Assistant Secretary

**RESOLUTION NO. 16-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MORAGA-ORINDA FIRE PROTECTION DISTRICT  
PUBLIC FACILITIES FINANCING CORPORATION  
APPROVING BYLAWS, APPOINTING OFFICERS AND  
APPROVING AND AUTHORIZING ORGANIZATIONAL ACTIONS**

The Board of Directors (the “Board of Directors”) of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (the “Corporation”), hereby resolves as follows:

1. Articles. The Articles of Incorporation of the Corporation filed by the Incorporator of the Corporation are hereby ratified and approved.
2. Bylaws. The Bylaws of the Corporation in the form attached hereto as Exhibit A and incorporated herein by reference are hereby adopted and approved and shall stand as the Bylaws of this Corporation until valid amendment thereof.
3. Directors. The appointment of the initial Board of Directors of the Corporation as appointed by the Incorporator of the Corporation is hereby ratified and approved.
4. Appointment of Officers. Pursuant to the Bylaws of the Corporation, the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until their successors are duly qualified and appointed:

Stephen Anderson – President  
Fred Weil – Vice-President  
Kathleen Famulener – Secretary  
Brad Barber – Treasurer  
Stephen Healy – Executive Director  
Gloriann Sasser – Finance Director  
Grace Santos – Assistant Secretary

5. Bank Accounts. Any officer of the Corporation is hereby authorized and directed to open such bank accounts as are necessary to carry on the business of the Corporation, and this Board hereby adopts any standard form of resolution for a corporate account required by any bank selected by the officers, and directs that a copy of any such resolution be inserted in the minute book of the Corporation.
6. Application for Tax-Exemption. The officers of the Corporation are authorized and directed to consult with legal counsel as to the availability of exemptions from taxation under state and federal law and to execute and file all necessary applications for exemption from such tax with the appropriate state and federal authorities and to pay necessary filing fees in connection with such applications.

## Attachment C

7. Fiscal Year. The accounting and fiscal year of the Corporation shall be July 1 through June 30.
8. Tax Identification Number. The officers of the Corporation are authorized and directed to apply to the IRS District Director for an employer's identification number on Form SS-4.
9. Expenses of Incorporation. The Treasurer of the Corporation is authorized and directed to pay the expenses of the incorporation and organization of the Corporation, and to reimburse the persons advancing funds to the Corporation for such purpose.
10. Conflict of Interest Code. Whereas, Government Code Section 87300 requires every local government agency and their affiliate agencies to adopt and promulgate a conflict of interest code, and Section 18730 of Title 2 of the California Code of Regulations permits local government agencies and their affiliate agencies to incorporate by reference the terms of Section 18370 along with the designation of employees and formulation of disclosure categories in the Appendix referred to in Section 18730, and permits such action to constitute adoption and promulgation of a conflict of interest code with the meaning of Government Code 87300, the Board of Directors hereby resolves as follows:

The Corporation incorporates by reference the terms of Section 18730 of Title 2 of the California Code of Regulations, as that section may from time to time be amended, along with the description of employees and the formulation of disclosure categories in the Appendix referred to in Section 18730, as that Appendix may from time to time be amended, as the Corporation's Conflict of Interest Code required pursuant to Government Code Section 87300.

11. The officers of the Corporation are hereby authorized and directed to undertake such other actions and to execute and deliver such other instruments as necessary to carry out the intent of this Resolution.

\* \* \* \* \*

PASSED, APPROVED and ADOPTED this 20th day of April, 2016 at a special meeting of the Board of Directors of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation held on April 20, 2016, at 1500 St. Mary's Road, Moraga, California 94556, on motion made by Director Weil , seconded by Director Barber , and duly carried with the following vote.

AYES: Directors Anderson, Barber, Famulener and Weil

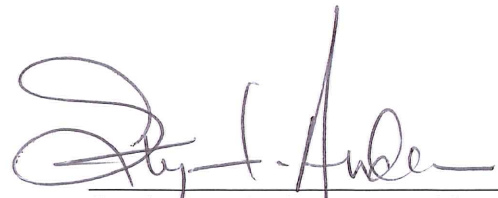
NOES: None

ABSENT: Director Evans

ABSTAIN: None

Attachment C

Dated: April 20, 2016



Stephen L. Anderson, President  
Board of Directors

ATTEST:



Grace Santos, District Clerk  
Board of Directors



**BYLAWS**  
**OF**  
**MORAGA-ORINDA FIRE PROTECTION DISTRICT**  
**PUBLIC FACILITIES FINANCING CORPORATION**  
**A California Nonprofit Public Benefit Corporation**

**ARTICLE I - NAME AND OFFICES**

1.1 Name. The name of this corporation is Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (hereinafter, the "Corporation").

1.2 Principal Office. The principal office of the Corporation shall initially be located at 1280 Moraga Way, Moraga, CA 94556, in Contra Costa County, California. The board of directors of the Corporation (hereinafter, the "Board of Directors") may change the location of the principal office to another location within the cities of Moraga or Orinda. Any such change of address will be noted by the Secretary of the Corporation in these Bylaws. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

1.3 Other Offices. The Board of Directors may establish branch or subordinate offices at any time and at any place within the cities of Moraga or Orinda.

**ARTICLE II – PURPOSES, OBJECTIVES AND POWERS; LIMITATIONS**

2.1 Public and Charitable Purpose; Nonpartisan Activities. The Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the public and charitable purposes described in its Articles of Incorporation. Notwithstanding any other provision of these Bylaws, no director, officer, employee or agent of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be carried on by an organization exempt from Federal income tax under Section 501(3) of the Internal Revenue Code or by an organization to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code.



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2.2 Purpose and Objectives. The mission of the Corporation is to provide assistance to the Moraga-Orinda Fire Protection District (the “District”) in financing the acquisition, construction and improvement of public buildings, works and equipment for the District, together with site development, landscaping, utilities, furnishings and appurtenance and related facilities.

### ARTICLE III – DEDICATION OF ASSETS

The property of the Corporation is irrevocably dedicated to public and charitable purposes, and no part of the net earnings of the Corporation shall ever inure to the benefit of any of its directors, officers or members or to the benefit of any private person. Upon the dissolution and winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts, obligations and liabilities of this Corporation shall be distributed to the District for a public purpose, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Internal Revenue Code section 501(c)(3) or the corresponding section of any future federal tax code, which has been designated by the District to receive such assets and which is organized and operated for a charitable purpose meeting the requirements of California Revenue and Taxation Code Section 214.

### ARTICLE IV – MEMBERS

4.1 No Members. The Corporation shall have no “members” as that term is defined by California Corporations Code Section 5056, and shall be governed solely by its Board of Directors in accordance with these Bylaws. Pursuant to California Corporations Code Section 5310, any action which would otherwise require approval by a majority of all members, shall instead require the approval of a majority of the Board of Directors.

### ARTICLE V - DIRECTORS

5.1 Powers. Subject to the limitations stated in the Articles of Incorporation, these Bylaws, the California Nonprofit Public Benefit Corporation Law, and all other applicable laws, all corporate powers shall be exercised by or under the direction of, and the business and affairs of the Corporation shall be managed by, the Board of Directors.

5.2 Number of Directors; Designation, Tenure; Vacancies. The Corporation shall have five (5) directors. The individuals who serve as the members of the board of directors of the District (the “District Board”) shall constitute the members of the Board of Directors, and each member of the District Board shall be and remain a member of the Board of Directors for so long as he or she remains a member of the District Board.

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5.3 Compensation. Directors shall serve without compensation, but each director may be reimbursed his or her necessary and actual expenses, including travel incident to his or her services as director, subject to any rules that may be imposed upon the adoption of a reimbursement policy by the Board of Directors. Any director may decline such reimbursement.

5.4 Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it other than those performed as a director within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

5.5 Nonliability for Debts. The private property of the directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation, and no director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

5.6 Indemnity by Corporation for Litigation Expenses of Officers and Directors. To the fullest extent permitted by law, the Corporation shall indemnify any present or former director, officer, employee or other “agent” of the corporation, as that term is defined in California Corporations Code Section 5238(a), against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in California Corporations Code Section 5238(a). Expenses incurred in defending any proceeding may be advanced by the Corporation as authorized in Section 5238 prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall be ultimately determined that the director or officer is entitled to be indemnified.

5.7 Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such. The Corporation may obtain liability insurance or the equivalent of insurance which covers the directors and executive officers issued either in the form of a general liability policy or a director’s and officer’s liability policy consistent with the requirements of California Corporations Code Section 5239.

## ARTICLE VI – MEETINGS OF THE BOARD OF DIRECTORS

6.1 Ralph M. Brown Act. All meetings of the Board of Directors, including, without limitation, regular, adjourned regular, special, and adjourned special meetings of the Board of



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Directors shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code), or any successor legislation hereinafter enacted (the "Brown Act").

6.2 Regular Meetings. The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board of Directors. If the President of the Board of Directors determines that there is no business required to be transacted by the Board of Directors at any such regular meeting, such regular meeting shall not be required to be held. Notice of regular meetings of the Board of Directors shall be given in accordance with Section 6.1 and 6.6 of these Bylaws and shall state the time and place of the meeting and the business to be transacted.

6.3 Special Meetings. Subject to the provisions of Section 6.1 of these Bylaws, special meetings of the Board of Directors may be held whenever called by the President of the Board of Directors or any two (2) directors of the Corporation. Notice of special meetings shall be given in accordance with Section 6.1 and 6.6 of these Bylaws and shall state the time and place of the meeting and the business to be transacted.

6.4 Place of Meetings. Subject to the provisions of Section 6.1 of these Bylaws, meetings of the Board of Directors shall be held at any place within or without the state of California which may be designated in the notice of the meeting. In the absence of such designation, meetings of the Board of Directors shall be held at the principal office of the Corporation.

6.5 Telephonic Meetings. Provided that all requirements of the Brown Act are satisfied, members of the Board of Directors may participate in a regular or special meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can communicate with each other concurrently and each member is provided the means of participating in all matters before the Board of Directors, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

6.6 Notice of Meetings. Notice of any meeting of the Board of Directors shall be delivered to the directors and publicly posted pursuant to the Brown Act not less than seventy-two (72) hours prior to each regular meeting and not less than twenty-four (24) hours prior to each special meeting. Notice to the directors may be communicated in person or by first-class or express mail (provided however, at least four (4) days notice shall be required if delivered by regular mail), telephone, including a voice messaging system, email, facsimile or other electronic means of communication.

6.7 No Action Without Meeting. The Board of Directors may not take any action by unanimous written consent or in any other manner without a meeting and without prior notice as required by this Article VI.

6.8 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every action taken or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the

Board of Directors, unless the Articles, these Bylaws, or the California Nonprofit Public Benefit Corporation Law specifically requires a greater number. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting as provided in Section 6.9 of these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough directors to leave less than a quorum, if any action taken is approved by at least a majority of the required quorum for such meeting.

6.9 Adjournment. Subject to the provisions of Section 6.1 of these Bylaws, any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the directors present. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

### ARTICLE VII - COMMITTEES

7.1 Committees of the Board of Directors. The Board of Directors may, by resolution designate committees, consisting of two (2) or more directors to serve at the pleasure of the Board of Directors. Such committees shall have such power and authority as may be determined by resolution of the Board of Directors, subject to the limitations imposed on such power and authority by the Nonprofit Corporation Law or the Articles. No committee shall have authority to bind the Corporation in a contract or agreement or expend corporate funds.

7.2 Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board of Directors. The members of any Advisory Committee may consist of directors and non-directors. Advisory Committees may not exercise the authority of the Board of Directors to make decisions on behalf of the Corporation, but shall be limited to making recommendations to the Board of Directors and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board of Directors.

7.3 Meetings and Actions of Committees. Meetings and actions of all committees, except advisory committees (unless otherwise required by the Brown Act), shall be governed by, and held and taken in accordance with, the provisions of Article 6 of these bylaws, concerning meetings and actions of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors, by the chair of such committee or by a majority of the members of such committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee.

7.4 Minutes and Reports. Each committee shall keep regular minutes of its proceedings, which shall be filed with the Secretary of the Corporation. All action by any



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committee shall be reported to the Board of Directors at the next meeting thereof, and shall be subject to revision and alteration by the Board of Directors.

### ARTICLE VIII - OFFICERS AND EMPLOYEES

8.1 Officers. The officers of the Corporation shall be a President, a Vice-President, a Treasurer, a Secretary, an Executive Director, a Finance Director and an Assistant Secretary. The same person may hold any number of offices, except that the Secretary, the Treasurer, Executive Director, the Finance Director and the Assistant Secretary may not serve concurrently as the President or the Vice-President.

8.2 Appointment of Officers. The officers of the Corporation shall be appointed as follows: (i) the President shall be the President of the District Board, (ii) the Vice-President shall be the Vice President of the District Board, (iii) the Secretary shall be the Secretary of the District Board, (iv) the Treasurer shall be the Treasurer of the District Board, (v) the Executive Director shall be the Fire Chief of the District, (vi) the Finance Director shall be the Administrative Services Director of the District, and (vii) the Assistant Secretary shall be the Clerk to the District Board.

8.3 Subordinate Officers. The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are required in these Bylaws or as the Board of Directors may from time to time determine. Subordinate officers of the Corporation, if any, shall be appointed by the Board of Directors to a one-year term.

8.4 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, subject to the rights, if any, of the Corporation under any contract to which the officer is a party, Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.5 Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the directors then in office at any regular or special meeting of the Board of Directors, or by any officer upon whom such power of removal may be conferred by the Board of Directors.

8.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

8.7 President. The President shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be, from time to time, assigned to the President by the Board of Directors or prescribed by these Bylaws.

8.8 Vice-President. If the President is absent or disabled, the Vice-President shall perform all duties of the President. When so acting, the Vice-President shall have all powers of

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and be subject to all restrictions on the President. The Vice-President shall have such other powers and duties as the Board of Directors or the Bylaws may require.

8.9 Secretary. The Secretary (or Assistant Secretary) shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include all waivers of notice, consents to the holding of meetings or approvals of the minutes of meetings executed pursuant to these Bylaws or the Nonprofit Corporation Law. The Secretary (or Assistant Secretary) shall give, or cause to be given, notice of all meetings of the Board of Directors required by these Bylaws or by law to be given, and shall cause the seal of the Corporation to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

8.10 Treasurer and Finance Director. The Treasurer (or the Finance Director) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account or the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The Treasurer (or the Finance Director) shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Corporation with such depositaries or depositories as may be designated by the Board of Directors. The Treasurer (or the Finance Director) shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President, the Executive Director and the directors whenever they request it, an account of all of the Treasurer's (or the Finance Director's) transactions as Treasurer (or Finance Director), and of the financial condition of the Corporation.

8.11 Executive Director. Subject to the control, advice and consent of the Board of Directors, the Executive Director shall be responsible for the day-to-day administration of the Corporation, and shall be authorized to employ and discharge employees and agents of the Corporation; contract, receive, deposit, disburse and account for funds of the corporation; execute in the name of the Corporation all contracts and other documents authorized, either generally or specifically, by the Board of Directors to be executed by the Corporation; and negotiate all material business transactions of the Corporation.

### ARTICLE IX - BOOKS AND RECORDS.

9.1 Maintenance of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date and all applications and information returns filed in connection with obtaining and maintaining state and federal tax-exempt status.

9.2 Maintenance and Inspection of Other Corporate Records. The Corporation shall keep adequate and correct books and records of accounts, written minutes of the proceedings of the Board of Directors and committees of the Board of Directors, and a record of each director's name and address. All such records shall be kept at the principal office of the Corporation. The



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minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

9.3 Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect, copy and make extracts of, in person or by agent or attorney, all corporate books, records and documents of every kind and to inspect the physical properties of the Corporation.

9.4 Annual Report. The Board of Directors shall cause an annual report (hereinafter the "Annual Report") to be sent to the directors not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The Annual Report shall contain in appropriate detail the following:

A. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;

B. The principal changes in assets and liabilities, including trust funds, during the fiscal year;

C. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year;

D. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and

E. Any information required by Section 6322 of the Nonprofit Corporation Law concerning certain self dealing transactions, indemnifications or advances took place during the fiscal year.

The Annual Report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

9.5 Audits. The Corporation shall obtain a financial audit for any fiscal year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements (a) shall be available at the Corporation's principal offices during regular business hours, and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## ARTICLE X - CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Nonprofit Public Benefit Corporation Law as amended from time to time shall govern the construction of these bylaws. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible: (i) the remainder of these bylaws shall be considered valid and operative; and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

## ARTICLE XI - CORPORATE SEAL AND FISCAL YEAR.

11.1 Corporate Seal. The Board of Directors may adopt, use and alter a corporate seal. The seal shall be kept at the principal office of the corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

11.2 Fiscal Year. The fiscal year of the Corporation shall be determined, and may be changed, by resolution of the Board of Directors.

## ARTICLE XII - AMENDMENTS

New bylaws may be adopted or these bylaws may be amended or repealed by the affirmative vote of a majority of the Board of Directors or by the written consent thereof, except as otherwise provided by law or by the Articles. Notwithstanding the foregoing, amendment of these bylaws shall require the approval of a majority of the authorized number of directors



CERTIFICATE OF ASSISTANT SECRETARY

I hereby certify that:

I am the duly elected and acting Assistant Secretary of the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation, a California nonprofit public benefit corporation; and

The foregoing Bylaws are the full, true and correct copy of Bylaws of this Corporation as adopted by the Board of Directors on April 20, 2016, and these Bylaws have not been amended or modified since that date and are in full force and effect as of the date hereof.

Dated: April 20, 2016

  
Assistant Secretary



May 25, 2016

Moraga-Orinda Fire Protection District  
Moraga, California

JPMorgan Chase Bank, N.A.  
Dublin, California

Re: \$4,069,000  
Lease/Purchase Agreement  
dated as of May 1, 2016, by and between the  
Moraga-Orinda Fire Protection District Public Facilities Financing Corporation  
and the Moraga-Orinda Fire Protection District  

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*Final Opinion of Special Counsel*

Ladies and Gentlemen:

We have acted as special counsel in connection with the execution and delivery by the Moraga-Orinda Fire Protection District (the "District") of the above-captioned Lease/Purchase Agreement (the "Lease/ Purchase Agreement"). The District and Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (the "Corporation") have entered into (i) the Site Lease dated as of May 1, 2016 (the "Site Lease") pursuant to which the District is leasing certain property (the "Leased Property") of the District to the Corporation and (ii) the Lease/Purchase Agreement pursuant to which the Corporation is leasing the Leased Property to the District. The rights of the Corporation under the Lease/Purchase Agreement have been assigned to JPMorgan Chase Bank, N.A., a national banking association (the "Lender") pursuant to the Assignment Agreement dated as of May 1, 2016 (the "Assignment Agreement") between the Corporation and the Lender. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease/Purchase Agreement.

In such capacity, we have reviewed such law and such certified proceedings and certifications of the District, the Corporation and others, and the Site Lease, the Lease/Purchase Agreement, the Assignment Agreement and other documents as we have deemed necessary to render this opinion. The opinions expressed herein are based on an analysis of existing statutes, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted to be taken or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions or events are taken or do occur, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have not undertaken to verify independently and have assumed the accuracy of the factual matters represented,

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warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the first paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Lease/Purchase Agreement and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause the portion of the Rental Payments designated as and comprising interest with respect to the Leased Purchase to be included in gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Lease/Purchase Agreement and the Site Lease have been duly authorized, executed and delivered by the District and constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms, and the Assignment Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms.

2. The portion of the Rental Payments designated as and comprising interest on the Lease/Purchase Agreement is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from personal income taxes of the State of California. Such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earning when calculating corporate alternative minimum taxable income. The Lease/Purchase Agreement has been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on the Lease/Purchase Agreement.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate delivered on the date hereof with respect to the use of proceeds of the Lease/Purchase Agreement and the investment of certain funds, and other matters affecting the exclusion of interest on the Lease/Purchase Agreement in gross income for Federal income tax purposes under Section 103 of the Code, and (ii) compliance by the District with procedures and covenants set forth in the Tax Certificate and with the tax covenants set forth in the Lease/Purchase Agreement as to such matters. Under the Code, failure to comply with such procedures and covenants may cause the portion of the Rental Payments designated as and comprising interest on the Lease/Purchase Agreement to be included in gross income for Federal income tax purposes, retroactive to the date of delivery of the Lease/Purchase Agreement, irrespective of the date on which such noncompliance occurs or is ascertained.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular purchasers of the right to receive payments of principal and interest under the Lease/Purchase Agreement. The scope of this opinion is limited to matters addressed above and

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no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of such right under the Lease/Purchase Agreement.

We call attention to the fact that the rights and obligations under the Site Lease, the Lease/Purchase Agreement, the Assignment Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We undertake no responsibility for the state of title to the Leased Property described in the Site Lease, the Lease/Purchase Agreement or the Assignment Agreement of the accuracy or sufficiency of the description of the Leased Property contained therein, and we express no opinion with respect to such matters. We undertake no responsibility for the accuracy, completeness or fairness of any offering materials relating to the Lease/Purchase Agreement and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

*Meyers, Nave, Riback, Silver & Wilson*

MEYERS, NAVE, RIBACK, SILVER & WILSON,  
A Professional Law Corporation

2614768.1



# Moraga-Orinda Fire District

**TO:** MOFD Board of Directors  
**FROM:** David Winnacker, Fire Chief  
**DATE:** December 5, 2018  
**SUBJECT:** Item 8.8 – Moraga Way Evacuation Exercise

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## **BACKGROUND**

Due to topography and limited surface street capacity, emergency evacuations of large portions of the district will be a challenge. In order to execute a time sensitive evacuation, multiple agencies will be involved and detailed coordination will need to occur.

To prepare for an evacuation, in partnership with Moraga and Orinda Police Departments, MOFD has developed evacuation polygons that are shared between all agencies. These polygons allow an incident commander to communicate evacuation needs in a timely and accurate manner using a shared understanding of the relevant zones.

In order to develop these inter-agency relationships and test the system in a realistic environment, an evacuation drill is being held on Saturday, 15 December.

On 27 November the Orinda City Council passed a resolution supporting the road closure and the execution of the exercise.

## **Implementation**

At 0700 on Saturday December 15<sup>th</sup>, a CWS alert will be sounded to participating members of the public who live within the Moraga Country Club. At the same time, Moraga Way will be closed to South Bound traffic and all lanes converted to Northbound only. Evacuees will travel from Saint Andrews to Glorietta using contra-flow traffic patterns. Upon arriving at Glorietta, the drill will be complete and participants will return to Moraga via Rheem Blvd for a debrief at Fire Station 41.

The road closure will be lifted no later than 0800. Appropriate traffic control measures will be in place through the placement of police officers and CERT volunteers at intersections along the route.

Road closure information is being disseminated via all available means by participating agencies.

## **Participating Agencies**

LaMorinda CERT  
Moraga PD and Public Works  
Orinda PD and Public Works  
MOFD  
CHP  
Contra Costa County Community Warning System

## **Goals**

1. Validate Fire-Police evacuation coordination
2. Validate Police-CWS evacuation notification
3. Validate CWS-Public communication
4. Validate MCC Block Captain system
5. Validate contra-flow traffic patterns

Future goals include conducting a similar exercise in North Orinda in January to further refine the evacuation process and validate Miner road as a contra-flow evacuation route.

## **RECOMMENDATION**

- 1) No action required; Information only