

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

May 4, 2016

(Approved May 18, 2016)

1. **Opening Ceremonies**

The Board of Directors convened in Open Session at 6:00 P.M. on May 4, 2016 in the Sarge Littlehale Community Room, 22 Orinda Way, Orinda, California. Director Barber was absent. President Anderson called the meeting to order.

Present were the following Directors and Staff:

Director Anderson	Director Weil	Grace Santos, District Clerk
Director Evans	Stephen Healy, Fire Chief	Doug McManamon, Counsel
Director Famulener	Gloriann Sasser, Admin Srvcs Director	

2. **Public Comment**

There were no comments.

3. **Closed Session**

At 6:01 P.M., the Board adjourned into Closed Session.

4. **Reconvene The Meeting**

President Anderson reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 7:00 P.M. Present were the following Directors and Staff:

Director Anderson	Director Weil	Grace Santos, District Clerk
Director Evans	Stephen Healy, Fire Chief	Kathy Leonard, Fire Marshal
Director Famulener	Gloriann Sasser, Admin Srvcs Director	

5. **Report of Closed Session Action**

There was no reportable action taken during Closed Session on items 3.1 Conference with Real Property Negotiators and 3.2 Conference with Real Property Negotiators.

6. **Public Comment**

MOFD Firefighter/Paramedic and President of the Moraga-Orinda Firefighters Association Anthony Stephens introduced the new MOFD camouflage t-shirts. May is National Military Appreciation Month, and to acknowledge the military, the Local 1230 Firefighters Union formed a Camouflage T-Shirt Committee. The committee consists of veterans from members of the fire districts and departments across Contra Costa County. The committee designed the t-shirts, managed the moneys raised, and chose the charities to donate to. The shirts are available for purchase through contracostafirefighters.com or the local union hall at 112 Blueridge Drive in Martinez. The shirts are \$25 each, and \$7 of each purchase will go to the charities chosen by the committee.

7. **Consent Agenda**

Motion by Director Evans and seconded by Director Famulener to receive and file Items 7.1 – Meeting Minutes, 7.2 – Quarterly Treasurer’s Report, 7.3 – Quarterly Ambulance Billing Report, 7.4 – Regular Board Meeting Locations, and 7.5 – Capital Projects Fund 2015/2016 Budget Adjustment. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Evans, Famulener and Weil; Absent: Barber).

8. Regular Calendar

8.1 Lorinda Lane Trail Easement

In January of 2016, staff was approached by the City of Lafayette, who asked the District to consider granting a walking easement that overlays two existing easements on the lower portion of Lorinda Lane.

On April 14, 2016, the City of Lafayette approved negotiating instructions for the Lafayette City Manager, who subsequently offered \$10,000 for the easement. Staff reached a tentative agreement with the City of Lafayette on price and language for the easement. Board approval is required because an easement is a non-possessory transfer of property.

Chief Healy stated that there were two grammatical errors in sections 3(b) and 7 of the original Attachment B – Walking Trail Easement document. He brought updated copies for the Board and public, which reflect the changes. The updated document does not change the substance nor the intent of the agreement in any way. Chief Healy stated that it was an error on his part and asked that any motion referenced the updated document.

Motion by Director Evans and seconded by Director Famulener to authorize staff to execute completion of the easement as described in the late arriving document with the changes in sections 3(b) and 7 as described. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Evans, Famulener and Weil; Absent: Barber).

8.2 Resolution 16-08 Establishing the 2016/17 Fire Flow Tax Rates for the Orinda and Moraga Service Zones

Every year the District is required to set the rate for the Fire Flow Tax in each of the District's two service zones. In order to place the tax on the County Assessor's rolls for fiscal year 2016/17, the tax rate must be established by Board action and then levied against each parcel.

The 2015/16 Fire Flow Tax Rate was established at six cents (\$.06) in both Moraga and Orinda and yielded:

	Orinda Service Zone	Moraga Service Zone	Total 2015/16
Fire Flow Tax Revenue	\$539,863	\$530,351	\$1,070,214

Motion by Director Weil and seconded by Director Famulener to adopt Resolution No. 16-08 adopting the Fire Flow Tax rate of six cents (\$.06) in both the Moraga and Orinda service zones. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Evans, Famulener and Weil; Absent: Barber).

8.3 Resolution 16-09 Adopting a Modified Schedule of Cost Recovery Fees for Emergency Medical Services

Emergency medical services are partially paid for by ambulance transport cost recovery fees and non-transport emergency medical services cost recovery fees. District Resolution No. 13-02, approved in May 2013, adopted a modified schedule of fees. This Resolution and the District's Ambulance Service Agreement with Contra Costa County include a provision for an annual modification to emergency medical services fees.

Staff recommends the Board increase ambulance transport fees based on the Consumer Price Index (CPI) for the San Francisco – Oakland – San Jose, CA area. The February 2016 CPI increased 3.02%. Staff recommends ambulance transport and non-transport cost recovery fees effective July 1, 2016 as follows:

Fee Description	Current Fee	Recommended Fee 2.45% Increase
Basic Life Support Transport (BLS)	\$1,068	\$1,100
Advanced Life Support Transport	\$1,525	\$1,571
Advanced Life Support 2 Transport	\$1,755	\$1,808
First Responder Assessment	\$446	\$459
Mileage	\$28	\$29

Below is a comparison of ambulance transport fees for other agencies in Contra Costa County:

Agency	BLS	ALS/ALS2	First Responder	Mileage
Contra Costa County Fire	\$2,100	\$2,100	\$450	\$50
San Ramon Valley Fire	\$1,055	\$1,490/\$1,579	\$459	\$29

Director Evans asked why the District's fees were less than Contra Costa County Fire's fees. ASD Sasser explained that Contra Costa County increased their fees when they took over the ambulance contract and it had to do with their new ambulance transport situation.

Director Weil asked why the District's rates were not comparable to those of Contra Costa County Fire's. Chief Healy stated that Contra Costa County has a brand new contract and the District is in a 3-year contract, which would not be up until next year. Staff can do a new study with a consultant if the Board thought the rates were not an accurate representation of the costs.

ASD Sasser stated that the Board policy has been in place for many years, and the Board would have discretion to consider changing it if it so chooses.

Motion by Director Evans and seconded by Director Weil to adopt Resolution 16-09 Establishing a Modified Schedule of Cost Recovery Fees for Emergency Medical Services. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Evans, Famulener and Weil; Absent: Barber).

8.4 Resolution 16-10 Approving the Amendment and Restatement to the Flexible Benefits Plan

The District has contracted with Benefit Administration Corporation (BAC) since 1998 to provide an employee funded Flexible Benefit Plan (Plan). The Plan allows employees to fund the following expenses using money excludable from the employee's taxable income (tax-free dollars) as allowable under the Internal Revenue Code:

- dependent care expenses
- unreimbursed health expenses
- health insurance benefit – employee share
- dental insurance benefit – employee share

Effective May 1, 2016, the District is contracting with American Fidelity Assurance Company to provide the Plan. American Fidelity provides improved services including:

- Optional supplemental insurance products (accident, life and cancer insurance)
- Optional health debit cards for participants
- Direct deposit services for participants
- Improved technology including on-line claim filing capabilities and a mobile application for filing reimbursement claims.

- Annual one-on-one meetings with employees to discuss benefit options and make enrollment elections.

It is necessary to approve an amendment and restatement of the flexible benefit plan to reflect the change in administrators and to add the additional available optional benefits.

The District was paying BAC \$720 per year to administer the plan. The cost to the District to contract with American Fidelity is \$0, thus reducing costs \$720 per year.

MOFD Captain and Chair of the Health & Wellness Committee for the Firefighters Association Mike Lacy stated that American Fidelity Assurance Company representatives are limited in their knowledge of the specific products needed by firefighters, as well as in the plans that they offer. A lot of education is needed at all levels, which firefighters, staff and the American Fidelity Assurance Company recognizes, and he will set up informational meetings to make sure everyone is educated.

President Anderson stated that there is an education responsibility on both the district and each individual firefighter.

Motion by Director Evans and seconded by Director Weil to adopt Resolution No. 16-10 Approving the Amendment and Restatement of the Flexible Benefit Plan. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Evans, Famulener and Weil; Absent: Barber).

8.5 Contra Costa County Employee's Retirement Association (CCCERA) Economic Assumptions and Rates

The District provides employee pension benefits through the Contra Costa County Employees' Retirement Association (CCCERA). The District's rates and costs are determined by CCCERA based on an actuarial valuation that is completed every year. The actuarial valuation is based on economic assumptions that are adopted by the CCCERA Board. Every three years the CCCERA Board reviews the economic assumptions.

The CCCERA Board met on April 27, 2016 and reviewed the economic assumptions to be used to prepare the upcoming December 31, 2015 actuarial valuation. This actuarial valuation will be used to determine the District's CCCERA rates for fiscal year 2017-18. The CCCERA actuary, Segal and Company, recommended CCCERA maintain the investment return assumption of 7.25% per year. However, the CCCERA Board majority voted to reduce the investment return assumption to 7.00% per year. This assumption change will likely significantly increase the District's contribution rates. This assumption change will also likely result in an increase to the District net pension liability.

Since the CCCERA Board's action, Staff has:

- Contacted CCCERA and requested additional information regarding the effect of this change on the District's 2017-18 rates, and updated 5-year projections.
- Contacted Bartel and Associates (the District's OPEB actuary), and requested information regarding the potential impacts.
- Analyzed the effect on the District's rates of the 2012 reduction by CCCERA of the investment return assumption from 7.75% to 7.25%.
- Analyzed the potential effect of the assumption change on the District's net pension liability.

In 2012, the CCCERA Board reduced the investment return assumption from 7.75% to 7.25%.

It is important to note that there are many factors in addition to the investment return assumption that effect the District's rates and net pension liability.

Other useful information regarding this issue comes from Segal's December 31, 2014 Actuarial Valuation. This report included information regarding the sensitivity of the District's net pension liability to changes in the investment return assumption.

In addition, at the CCCERA meeting Segal told the CCCERA Board that in June 2016 Segal will be recommending a substantially longer mortality rate. The CCCERA Board will consider the non-economic assumptions in June. This change would also likely result in increased contribution rates and an increase to the net pension liability.

CCCERA has communicated that they plan to have the December 31, 2015 actuarial valuation completed and available in July 2016. After that, updated five-year projected contribution rates will be provided.

Staff will continue to monitor this situation and provide additional information as it becomes available.

8.6 Palos Colorados Mitigation Agreement

In an effort to improve fire and life safety, the Fire Marshal has been working with the developer of the Palos Colorados project in Moraga for several months. The projects includes 123 single family homes in east Moraga. (The Developers are the Richfield Real Estate Corporation and the Bigbury Company). They have collectively acknowledged that the Project may place an increased burden on the District's provision of fire protection services to the project contingent upon EBMUD's actual fire flow rates to the Project. As a result, the developer has agreed to pay the District a total of \$180,000 as a fire protection services mitigation within 60 days following the issuance of the first building permit for the Project towards the purchase of a new fire engine.

Therefore, staff concurrently negotiated a one-time payment of \$180,000 by the developers to be used towards the purchase of a new fire engine. The District's long-range Capital Budget Plan has two new engines scheduled for replacement in FY 2017/18. The projected cost of a new engine in 2017 is \$585,000. If the Board approves receiving this money, the cost of one of the fire engines would be reduced to approximately \$405,000.

Because the first building permit may be issued towards the end of FY 2016/17, staff is bringing this agreement to the Board for approval at this time.

Chief Healy stated that staff does not know exactly when the first building permit will be issued but if things goes well, the Board would need to authorize staff to accept the money.

Director Weil voiced his concern over the supply of water

Fire Marshal Leonard stated that the water supply at the Palos Colorados project will be 1500 gallons a minutes, which is more than adequate for firefighting.

Motion by Director Evans and seconded by Director Famulener to authorize staff to execute agreement between the District and the Richfield Real Estate Corporation and the Bigbury Company. Said motion carried a 3-1 roll-call vote (Ayes: Anderson, Evans and Famulener; Noes: Weil; Absent: Barber).

9. Committee Reports

9.1 Finance Committee (*Directors Barber & Weil*)

There was nothing to report. The next meeting will be on May 9, 2016 at 7pm.

10. Announcements

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

(Government Code Section 53232.3(d))

There was nothing to report.

10.2 Questions and informational comments from Board members and Staff

Director Weil commented on Consent Agenda Item 7.4 – Regular Board Meeting Locations. He asked staff to note that the June 1, September 7, and October 5 meetings can occur during a time when it is extremely hot and asked that staff be flexible because it can get really hot and uncomfortable in the Sarge Littlehale Community Room.

Chief Healy commented that the firefighters looked good in their camouflage t-shirts.

11. Adjournment

At 8:30 P.M., President Anderson called for adjournment of the regular meeting.



Grace Santos
Secretary to the Board