



Moraga-Orinda Fire District

Board of Directors

REGULAR MEETING

July 6, 2016

6:00 p.m. CLOSED SESSION

7:00 p.m. OPEN SESSION

PLEASE NOTE NEW MEETING ADDRESS:

Orinda Library Auditorium
26 Orinda Way
Orinda, CA 94563

1. OPENING CEREMONIES

- 1.1. Call the meeting to Order
- 1.2. Roll Call
- 1.3. Core Values: Service, Honor, Integrity

2. PUBLIC COMMENT

The public is invited to speak on any matter not appearing on the agenda including Closed Session, 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.

3. CLOSED SESSION

3.1. **Conference with Legal Counsel – Existing Litigation**

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

Name of case: Favro et al. v. State of California et al., Contra Costa County Superior Court Case No. C13-02580

3.2. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

Employee Organization: International Association of Firefighters IAFF, Local 1230

3.3. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

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

3.4. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Stephen Healy

Employee Organization: Moraga-Orinda Fire Chief Officer's Association (MOFCOA)

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

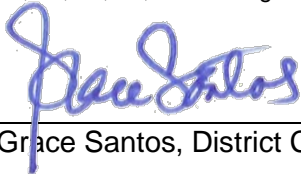
The public is invited to speak on any matter not appearing on the agenda, and within the subject matter jurisdiction of the District. Comments should be limited to three minutes. Please state your name and address for the record.

7. CONSENT AGENDA
 - 7.1. **Special Meeting Minutes – May 26, 2016
Meeting Minutes – June 15, 2016**
Staff Recommendation: Receive and File
 - 7.2. **Monthly Financial Reports – May 2016**
Staff Recommendation: Receive and File
8. REGULAR CALENDAR
 - 8.1. **Annual OPEB Account Review and Pension Rate Stabilization Fund Information**
Staff will present information to the Board regarding the Annual OPEB Account Review.
Staff Recommendation: 1) Receive; 2) Discuss; 3) Provide Direction to Staff.
 - 8.2. **California Special Districts Association 2016 Board Elections**
Staff will present information to the Board regarding the California Special Districts Association (CSDA) 2016 Board Elections.
Staff Recommendation: 1) Receive; 2) Discuss; 3) Vote for one candidate to represent the District in Seat B
9. COMMITTEE REPORTS
 - 9.1 **Finance Committee (*Directors Barber & Weil*)**
10. ANNOUNCEMENTS
 - 10.1 **Brief information only reports related to meetings attended by a Director at District expense**
(Government Code Section 53232.3(d))
 - 10.2 **Questions and informational comments from Board members and Staff**
11. 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 July 1, 2016, 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.



Grace Santos, District Clerk

Moraga-Orinda Fire Protection District

BOARD OF DIRECTORS SPECIAL BOARD MEETING MINUTES

May 26, 2016



1. Opening Ceremonies

The Board of Directors convened in Open Session at 1:00 P.M. on May 26, 2016 in the MOFD Administration Office, 1280 Moraga Way, Moraga, California. Director Weil participated via teleconference. President Anderson called the meeting to order.

Present were the following Directors and Staff:

Director Anderson
Director Barber Director Weil (via teleconference)
Director Evans Gloriann Sasser, Administrative Services Director
Director Famulener

2. Public Comment

There were no comments.

3. Regular Calendar

3.1 4268 El Nido Ranch Road Water and Sewer Line Easements

During the sale of the El Nido Ranch Road property, it was discovered that easements to the Lorinda Lane property did not exist for the water line and sewer line.

Staff recommended approval of easements for the purposes of water and sewer service to the 1035 Lorinda Lane property. The District is granting these easements to itself, since the District presently owns both properties.

This property is described as:


- certain real property in the City of Lafayette, County of Contra Costa, State of California, identified as Lot A and Lot B (APN 249-150-027 and APN 249-150-028) in the Certificate of Compliance for Lot Line Adjustment #02-14, Series 2014-0152780 as more particularly described in Exhibit "A" and shown in Exhibit "B" attached hereto and made a part hereof ("Grantor Property").
- certain real property in the City of Lafayette, County of Contra Costa, State of California, identified as Lot A and Lot B (APN 249-150-027 and APN 249-150-028) in the Certificate of Compliance for Lot Line Adjustment #02-14, Series 2014-0152780 as more particularly described in Exhibit "A" and shown in Exhibit "B" attached hereto and made a part hereof ("Grantor Property").

Larry Hood of Coldwell Banker, the District's realtor, provided an update on the sale of the El Nido Ranch Road and Lorinda Lane properties.

Motion by Director Famulener and seconded by Director Barber to authorize staff to execute completion of the water line and sanitary sewer line easements. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener Weil and Evans).

4. Adjournment

At 1:12 P.M., President Anderson called for adjournment of the special meeting.



Grace Santos
Secretary to the Board

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



Moraga-Orinda Fire Protection District

BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

June 15, 2016

1. **Opening Ceremonies**

The Board of Directors convened in Open Session at 6:00 P.M. on June 15, 2016 in the Hacienda Mosaic Room, 2100 Donald Drive, Moraga, California. President Anderson called the meeting to order.

Present were the following Directors and Staff:

Director Anderson
Director Barber
Director Evans
Director Famulener

Director Weil
Gloriann Sasser, Admin Services Director
Grace Santos, District Clerk

2. **Public Comment**

There were no comments.

3. **Closed Session**

At 6:00 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 Barber
Director Evans
Director Famulener
Director Weil

Gloriann Sasser, Admin Services Director
Jerry Lee, Battalion Chief
Felipe Barreto, Battalion Chief
Grace Santos, District Clerk

5. **Report of Closed Session Action**

President Anderson reported that the Board issued negotiating instructions to the real estate agent for 4268 El Nido Ranch Road, Lafayette.

6. **Public Comment**

Marie Gee, Orinda resident, asked if the District conducted an environmental impact study of 4268 El Nido Ranch Road, Lafayette. Ms. Gee asked for contact information for Burk Holdings, LLP, which state the business is registered in, and who the owners are. President Anderson suggested that Ms. Gee do research on Burk Holdings, LLP. He stated that an environmental impact study would have been done before building the fire station, however, since it was not built, no study was done.

Richard Olsen, Moraga resident, provided a brief update on the Moraga Planning Commission meeting and stated that City Ventures requested approval of a general development plan and tentative map for the development. The Commissioners made a number of requests for additional information and the matter was continued to June 20, 2016. Mr. Olsen was advised that Town Planning staff would probably ask for a continuance, with a possible date of July 18, 2016.

7. **Consent Agenda**

Motion by Director Weil and seconded by Director Barber to receive and file Items 7.1. Meeting Minutes, 7.2. Monthly Incident Report, 7.3. Monthly Check/Voucher Register, 7.4. Adoption of Annual Operating Budget Fiscal Year 2016/17. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

President Anderson announced that the agenda will be taken out of order and that Item 8.5 will be discussed immediately after Item 8.1.

8. Regular Calendar

8.1 Resolution 16-11 Approving Membership in the Fire District Association of California Employees Benefit Authority

Effective July 1, 2016, the District will provide vision insurance to benefitted employees. The District's insurance broker, Keenan and Associates, has reviewed various carrier options for providing vision insurance. The Fire District Association of California Employee Benefits Authority (FDAC) is a joint powers authority that provides health and welfare benefit programs to public agencies. FDAC offers vision insurance through Vision Service Plan (VSP). By obtaining vision insurance through FDAC, the District will be part of a much larger pool and can take advantage of more competitive rates with a longer fixed rate term than if the District obtained insurance directly from a carrier. The FDAC annual membership dues are currently \$413. Membership must be maintained for a minimum of three fiscal years.

Motion by Director Famulener and seconded by Director Barber to adopt Resolution No. 16-11 Approving Membership in the Fire District Association of California Employees Benefit Authority. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

8.5 Analysis of Funding Equity Between Taxpayers of Orinda and Moraga

At the May 9, 2016 Finance Committee meeting, the Finance Committee directed staff to analyze perceived funding inequities between taxes paid and services received by the taxpayers of Orinda and Moraga. It is necessary to review the history of the District when considering this issue.

In August 1996, the City of Orinda and the Town of Moraga each approved a Resolution of Application to the Contra Costa County Local Agency Formation Commission Requesting Reorganization of the Orinda Fire Protection District and the Moraga Fire Protection District. There is no reference in either Resolution to property taxes; the only reference is to the fire flow tax.

On August 30, 1996, an application to the Local Agency Formation Commission Requesting Reorganization of the Moraga and Orinda Fire Protection Districts was submitted by the City of Orinda and Town of Moraga.

The intent of the City of Orinda and the Town of Moraga was:

- To have one combined District with no service zones
- All property taxes and fund balances would be combined
- Fire flow tax would be equalized throughout the District

On October 9, 1996, the Local Agency Formation Commission (LAFCO) adopted Resolution 96-27 making determinations and approving the Moraga-Orinda Fire Protection District Consolidation.

On January 14, 1997, the Contra Costa County Board of Supervisors adopted Resolution 97/16, ordering the Moraga-Orinda Fire Protection District Consolidation subject to confirmation by the voters. Exhibit D to said Resolution included the Ballot Measures that had to be approved in order to complete the consolidation.

On June 3, 1997, the voters approved all of the necessary ballot measures to confirm the consolidation, adopt a special tax in Orinda, approve an appropriation limit, and elect directors.

Based on the ballot language, the Orinda fire flow tax was restricted to use in the Orinda service area. There was no restriction on any property taxes in the ballot language. The election material included arguments and rebuttals in favor of the consolidation.

While the election material arguments and rebuttals likely were appropriate at the time, the statements were somewhat general and did not differentiate between fire flow tax restrictions and property taxes in accordance with the City and Town Resolutions, the LAFCO application, LAFCO Resolution and actual ballot measures. The ballot measures were approved and the District was formed.

On July 1, 1997, the Board adopted Resolution 97-10 initiating proceedings to establish service zones in accordance with the conditions imposed by LAFCO. On September 23, 1997, the Board adopted Resolution 97-16 establishing a capital improvement fund for the Moraga Service Zone. The purpose

of the new fund was for the use and expenditure for capital improvements within the Moraga Service Zone.

On June 22, 1999, the Board adopted Resolution 99-03 combining the financial operating and capital accounts of the Moraga and Orinda Service Zones. It was determined that it was in the public interest to combine the financial operating and capital accounts into Districtwide financial operating and capital accounts due to undue administrative burden and duplication of accounting practices. The resolution did not otherwise affect the status of the Moraga and Orinda Service Zones.

On June 22, 1999, the Board adopted Resolution 99-04 finding that the operating and capital accounts of the Moraga and Orinda Service Zones, when allocated, benefit both Service Zones of the District. The resolution stated the District provides for prevention and suppression services on an integrated basis throughout the District and in medical and automatic aid situations and provides those and other emergency life and property saving services on an integrated basis. The provision of the services is based on the availability and use of the equipment and facilities of the respective Service Zones. Therefore, the Board declared the operating and capital accounts of the Moraga and Orinda Service Zones, when allocated, benefit both the Service Zone from which the allocation occurs and the Service Zone from which allocation does not occur.

Based on the above, the District provides services on an integrated basis and accounts for financial operating and capital accounts on a combined, District-wide basis.

The separate service zones were established coterminous with the boundaries of the previous Orinda and Moraga Fire Protection Districts. The previous Moraga Fire Protection District included a part of Orinda. Therefore, the Moraga Service Zone includes part of Orinda. The Service Zones do not follow the boundaries of the City or Town.

The ballot measure regarding the appropriations limit is significant. Article XIII B of the California Constitution requires the District to annually adopt an appropriations limit. The appropriations limit restricts the amount of money the District can appropriate or budget from government proceeds of taxes. The ballot measure passed by the voters combined the two separate District's limits into one new limit because the District was formed to be one combined district. There was no differentiation between how much money could be appropriated in Orinda or Moraga. There was one consolidated District with one spending limit.

Staff reviewed the financial records of the District. The adopted budget for FY1998/99 included a General Operating Fund budget for a Moraga Zone and an Orinda Zone (property taxes and operating expenditures) along with a Capital Outlay Fund for both zones (fire flow taxes and capital expenditures). The adopted budgets for 1999/2000 to the present included one combined budget with no separations by service zone. This is consistent with Resolutions 99-03 and 99-04, which combined the operating and capital accounts.

The audited financial statements from FY1997/98 accounted for a Moraga Zone and Orinda Zone for all finances: assets, liabilities, operating and capital revenue and expenditures. From FY1998/99 to the present, all finances were combined and there was no separation of zones in the audited financial statements. This is also consistent with Resolutions 99-03 and 99-04, which combined the operating and capital accounts.

When the District was formed, the intent was that the fire flow tax would be equalized throughout the District. Staff reviewed the fire flow tax rates for the last 7 years. The fire flow tax rate has been 6 cents in both the Moraga and Orinda Service Zones. The fire flow tax rate is equal.

When the District was established the intent was to operate one combined fire protection district. Since 1999, per Board resolutions, the District has provided all services on an integrated basis to the Moraga-Orinda Fire District.

Steve Cohn, Orinda resident, read a prepared statement which included history on the Orinda Fire Protection District, the Moraga Fire Protection District, how each district was funded by a portion of the statutory one percent tax on assessed real property values, and the merger into the Moraga-Orinda Fire District. Mr. Cohn stated MOFD is a good organization that provides good service to the

community. Orinda left the Contra Costa County Fire Protection District when substantial tax dollars were being exported for services outside of Orinda, and urged the District not to let history repeat itself.

Gordon Nathan, Moraga resident, thanked Administrative Services Director (ASD) Sasser for her work on the presentation. Mr. Nathan stated ASD Sasser's report does not show the amount of time, effort and heart put in by community volunteers, Town and City council representatives to develop a plan for combining the two formerly independent districts into one fully functional fire district. Hundreds of hours of meetings, research and discussions with LAFCO representatives preceded the formal LAFCO application to combine and form the new MOFD. He stated that an inordinate amount of staff and Board time has been devoted to this issue over the years and should be put to rest once and for all.

Vince Maiorana, Orinda resident, stated that the reason Orinda wanted to break away from the Contra Costa County Fire Protection District was because they used Orinda tax dollars in other areas of Contra Costa County. He asked the District to review the perceived inequities and make it better.

Richard Olsen, Moraga resident, stated that much of the history that Mr. Steve Cohn gave was incorrect and added that he would be happy to correct the record. Mr. Olsen stated that he was on the Moraga Fire Commission and helped form the Moraga-Orinda Fire District. He gave a history on the formation of the district, the passing of the fire flow and assessed property taxes, and the perceived inequity between the Moraga and Orinda taxes.

The Board decided that they would like to have another meeting to discuss this item and to hear the public's concerns. They asked staff not to spend additional time in research or financial accounting, but instead allow the public to bring additional detail and information to the meeting. They directed staff to continue the item at a future regular meeting when it would be the only item other than consent on the agenda. They asked staff to suggest a few dates at the next meeting, and publicize the event allowing for enough notice to the public.

8.2 Approval of Salary Schedules Effective July 1, 2016

The current Memorandums of Understanding provide a 4.5% salary increase for all employee classifications effective July 1, 2016. Salary schedules have been updated to reflect the increase.

Mark DeWeese, MOFD Firefighter and Local 1230 representative, read a prepared statement. Firefighter DeWeese stated that Local 1230 is thankful to see their salary schedule heading in the right direction. He also commented on the nationwide income inequality problem that affects the District. He stated that the inequity is a key reason why the District has recruitment and retention difficulties, as well as morale and trust issues, and hopes the Board places solving these issues as a top priority.

Motion by Director Evans and seconded by Director Weil to approve Salary Schedules Effective July 1, 2016. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

8.3 Approval of Amendment No. 5 to Fire Chief Employment Agreement Adjusting Annual Base Salary

Effective July 1, 2016, all full-time employees will receive a salary increase of 4.5%. The proposed amendment to the fire chief employment agreement would provide the same salary increase to the fire chief. The proposed amendment would increase the fire chief annual base salary 4.5% from \$220,000 to \$229,900 effective July 1, 2016.

The proposed Amendment No. 5 would provide a salary adjustment to the Fire Chief equal to all other full-time employees.

Motion by Director Weil and seconded by Director Barber to approve Amendment No. 5 to Fire Chief Employment Agreement Adjusting Annual Base Salary. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

8.4 Approval of Benefits for Unrepresented Employees

The FY2016/17 Annual Operating Budget includes the addition of a part-time Fire Inspector/Plans Examiner position and the reclassification of the Human Resources Benefits Manager position from part-time with no benefits to full-time benefitted. As a result, it is necessary for the Board to approve the salary and benefits for these new positions.

Beginning July 1, 2016, the District will have five unrepresented positions as follows:

- Fire Chief
- Administrative Services Director
- Fire Marshal
- Human Resources Benefits Manager
- Fire Inspector/Plans Examiner

The salary and benefits for the fire chief, administrative services director and fire marshal are included in individual employment agreements approved by the Board. It was recommended that the Board approve an unrepresented Employees Handbook that details the salary and benefits for all unrepresented employees. The Employee Handbook details the salary and benefits for the five unrepresented positions. Page one of the Employee Handbook specifies that in the event the Employee Handbook differs from an individual employment agreement, the individual employment agreement will prevail.

The Employee Handbook provides salary and benefits for the two new positions consistent with existing unrepresented employees.

Motion by Director Evans and seconded by Director Barber to approve Salary and Benefits for Unrepresented Employees. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

9. Committee Reports

9.1 Finance Committee (Directors Barber & Weil)

There was nothing to report.

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

President Anderson commented on how all of the District fire stations displayed the American flag at half-staff. He found it very appropriate.

10.3 District Updates for May 2016

There was nothing to report.

11. Adjournment

At 9:30 P.M., President Anderson called for adjournment of the regular meeting.



Grace Santos
Secretary to the Board

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - Capital Projects Fund Actual to Budget-15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	YTD Budget - Original	YTD Budget Variance - Original	Percent Total Budget Remaining - Original
Revenue					
Taxes					
Fire Flow Tax	4066	1,070,213.78	1,070,214.00	(0.22)	(0.00)%
Total Taxes		1,070,213.78	1,070,214.00	(0.22)	(0.00)%
Use of Money & Property					
Investment Earnings	4181	(309.25)	0.00	(309.25)	0.00%
Total Use of Money & Property		(309.25)	0.00	(309.25)	0.00%
Charges for Service					
Impact Mitigation Fees	4743	78,000.00	12,000.00	66,000.00	550.00%
Total Charges for Service		78,000.00	12,000.00	66,000.00	550.00%
Other Revenue					
Other Financing Sources-Lease...	4970	4,069,000.00	4,070,000.00	(1,000.00)	(0.02)%
Misc Rebates & Refunds	4975	544.12	544.00	0.12	0.02%
Total Other Revenue		4,069,544.12	4,070,544.00	(999.88)	(0.02)%
Total Revenue		5,217,448.65	5,152,758.00	64,690.65	1.26%
Expenditures					
Operating Expense					
Professional Services	6327	2,940.00	7,390.00	4,450.00	60.22%
Total Operating Expense		2,940.00	7,390.00	4,450.00	60.22%
Other Expense					
Bank Fees	7510	87.00	100.00	13.00	13.00%
Fire Flow Tax Collection Fees	7531	12,610.46	12,610.00	(0.46)	(0.00)%
Capital Contingency-Facilities, ...	7700	48,143.64	75,950.00	27,806.36	36.61%
Fire Fighting Equip-Fixed Asset ...	7701	10,954.50	20,000.00	9,045.50	45.23%
Lease Apparatus/Vehicles-Fixed...	7702	44,609.16	89,219.00	44,609.84	50.00%
Apparatus/Vehicles-Fixed Asset...	7703	478,171.47	479,554.00	1,382.53	0.29%
Computer Equip & Software-Fix...	7704	16,720.00	21,823.75	5,103.75	23.39%
Buildings-Station #41-Fixed Ass...	7705	21,472.03	72,000.00	50,527.97	70.18%
Buildings-Station #43-Fixed Ass...	7706	106,241.86	110,146.00	3,904.14	3.54%
Misc. Equipment Expense	7709	80,910.84	60,675.00	(20,235.84)	(33.35)%
Station 46- Construction in Prog...	7711	31,404.51	12,030.00	(19,374.51)	(161.05)%
Costs of Issuance	7904	66,411.35	69,698.00	3,286.65	4.72%
Total Other Expense		917,736.82	1,023,805.75	106,068.93	10.36%
Total Expenditures		920,676.82	1,031,195.75	110,518.93	10.72%
Excess of Revenues Over/ (Under)		4,296,771.83	4,121,562.25	175,209.58	4.25%
Expenditures					

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - General Fund Actual to Budget 15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Revenue					
Taxes					
Property Tax-Current Secured	4010	16,434,461.58	16,440,128.00	(5,666.42)	(0.03)%
Property Tax-Supplemental	4011	460,831.69	228,000.00	232,831.69	102.12%
Property Tax-Unitary	4013	203,699.11	203,699.00	0.11	0.00%
Property Tax-Curr Unsecured	4020	561,494.41	605,000.00	(43,505.59)	(7.19)%
Prop Tax- Prior Secured	4030	(61,612.20)	(61,010.00)	(602.20)	0.99%
Prop Tax-Prior Supplement	4031	(25,624.59)	(25,262.00)	(362.59)	1.44%
Prop Tax Prior Unsecured	4035	<u>(27,293.43)</u>	<u>(16,362.00)</u>	<u>(10,931.43)</u>	<u>66.81%</u>
Total Taxes		17,545,956.57	17,374,193.00	171,763.57	0.99%
Use of Money & Property					
Investment Earnings	4181	<u>(285.99)</u>	0.00	(285.99)	0.00%
Total Use of Money & Property		(285.99)	0.00	(285.99)	0.00%
Intergovernmental Revenue					
Homeowners Relief Tax	4385	80,158.37	158,000.00	(77,841.63)	(49.27)%
Intergovernmental	4437	323,896.00	323,896.00	0.00	0.00%
Revenue-Federal Grants					
CA FF JAC Training Funds	4440	25,091.41	25,091.00	0.41	0.00%
Other/In Lieu of Taxes	4580	0.00	1,000.00	(1,000.00)	(100.00)%
Measure H-Emerg Med Ser Subsid	4896	0.00	85,748.00	(85,748.00)	(100.00)%
Total Intergovernmental Revenue		429,145.78	593,735.00	(164,589.22)	(27.72)%
Charges for Service					
Permits	4740	2,243.00	3,200.00	(957.00)	(29.91)%
Plan Review	4741	171,104.00	171,360.00	(256.00)	(0.15)%
Inspection Fees	4742	31,280.00	21,000.00	10,280.00	48.95%
Weed Abatement Charges	4744	3,465.02	3,465.00	0.02	0.00%
CPR/First Aid Classes	4745	2,284.00	1,100.00	1,184.00	107.64%
Reports/ Photocopies	4746	333.50	242.00	91.50	37.81%
Other Charges for Service	4747	<u>3,146.00</u>	<u>3,400.00</u>	<u>(254.00)</u>	<u>(7.47)%</u>
Total Charges for Service		213,855.52	203,767.00	10,088.52	4.95%
Charges for Service - Ambulance					
Ambulance Service Fees	4898	861,676.07	1,088,000.00	(226,323.93)	(20.80)%
Ambulance Service Fee Reimbursements	4899	(44,491.19)	(100,000.00)	55,508.81	(55.51)%
Ambulance Collection Recovery Payments	4900	3,570.07	4,000.00	(429.93)	(10.75)%
Total Charges for Service - Ambulance		820,754.95	992,000.00	(171,245.05)	(17.26)%
Other Revenue					
Other Revenue-Strike Team Recovery	4971	232,717.85	233,092.00	(374.15)	(0.16)%
Other Revenue & Financing Sources	4972	13,200.00	62,000.00	(48,800.00)	(78.71)%
Other Revenue-Misc.	4974	27,153.18	500.00	26,653.18	5,330.64%
Misc Rebates & Refunds	4975	97,212.97	1,000.00	96,212.97	9,621.30%
Sale of Surplus Property	4980	<u>369.67</u>	<u>2,000.00</u>	<u>(1,630.33)</u>	<u>(81.52)%</u>
Total Other Revenue		370,653.67	298,592.00	72,061.67	24.13%
Total Revenue		<u>19,380,080.50</u>	<u>19,462,287.00</u>	<u>(82,206.50)</u>	<u>(0.42)%</u>
Expenditures					
Salaries & Benefits					
Permanent Salaries	5011	6,717,496.06	7,515,349.00	797,852.94	10.62%
Temporary Salaries	5013	130,601.20	166,800.00	36,198.80	21.70%

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - General Fund Actual to Budget 15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Overtime	5014	1,565,263.33	1,958,422.00	393,158.67	20.08%
Deferred Compensation	5015	99,637.48	106,578.00	6,940.52	6.51%
Overtime - Strike Team	5016	137,003.83	150,000.00	12,996.17	8.66%
Contract Services	5018	68,627.22	180,000.00	111,372.78	61.87%
Worker's Compensation Recovery	5019	(40,991.67)	(65,000.00)	(24,008.33)	36.94%
Payroll Taxes -FICA,SUI	5042	134,089.13	157,000.00	22,910.87	14.59%
Payroll Processing Fees	5043	13,757.38	20,000.00	6,242.62	31.21%
Retirement Contributions	5044	3,740,470.88	4,136,778.00	396,307.12	9.58%
Life/Health Insurance-Permanent Employees	5060	878,638.41	985,000.00	106,361.59	10.80%
Employee's-Health Insurance Contribution	5061	(191,600.23)	(200,000.00)	(8,399.77)	4.20%
Retiree Health Insurance	5062	1,091,629.86	1,200,000.00	108,370.14	9.03%
Retiree-Health Insurance Contribution	5063	(304,073.96)	(329,000.00)	(24,926.04)	7.58%
Unemployment Insurance	5064	5,537.14	10,000.00	4,462.86	44.63%
Retiree-Health OPEB Contribution	5065	94,000.00	94,000.00	0.00	0.00%
Workers' Compensation Insurance	5070	785,470.00	815,069.00	29,599.00	3.63%
Flexible Benefits/ Section 125 Outside Contractor	5080	600.00	750.00	150.00	20.00%
Total Salaries & Benefits		14,926,156.06	16,901,746.00	1,975,589.94	11.69%
Operating Expense					
Office Supplies	6100	13,142.71	19,850.00	6,707.29	33.79%
Postage	6101	3,168.84	5,950.00	2,781.16	46.74%
Books & Periodicals	6102	2,199.09	4,950.00	2,750.91	55.57%
Printer Ink Cartridges	6103	4,970.10	5,000.00	29.90	0.60%
Telephone/Communication	6110	33,358.02	45,000.00	11,641.98	25.87%
Dispatch/Comm Center Services w/ AVL MDT	6111	169,314.00	170,000.00	686.00	0.40%
Utilities- Sewer	6120	3,432.64	2,640.00	(792.64)	(30.02)%
Utilities-Garbage	6121	13,354.30	14,720.00	1,365.70	9.28%
Utilities-PG&E	6122	48,971.25	66,890.00	17,918.75	26.79%
Utilities-Water	6123	9,801.96	15,020.00	5,218.04	34.74%
Utilities-Medical Waste	6124	1,975.00	2,070.00	95.00	4.59%
Small Tools & Instruments	6130	333.98	750.00	416.02	55.47%
Minor Equipment/Furniture	6131	917.13	2,250.00	1,332.87	59.24%
Computer Equipment & Supplies	6132	2,357.00	10,000.00	7,643.00	76.43%
Gas Power Chain Saw/Other Equipmen	6133	9,091.40	13,000.00	3,908.60	30.07%
Fire Trail Grading	6135	4,816.72	10,500.00	5,683.28	54.13%
Fire Fighting Equipment & Supplies	6137	13,603.81	20,000.00	6,396.19	31.98%
Fire Fighting Equipment-Hoses & Nozzles	6138	3,143.02	7,500.00	4,356.98	58.09%
Fire Fighting Equipment-Class A Foam	6139	766.18	500.00	(266.18)	(53.24)%
Medical & Lab Supplies	6140	67,873.51	90,000.00	22,126.49	24.58%
Food Supplies	6150	1,192.49	7,500.00	6,307.51	84.10%

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - General Fund Actual to Budget 15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Safety Clothing & Personal Supplies	6160	40,947.61	80,000.00	39,052.39	48.82%
Non-Safety Clothing & Personal Supplies	6161	900.00	2,000.00	1,100.00	55.00%
Household Expense	6170	14,596.59	18,820.00	4,223.41	22.44%
Household Expense-Linen	6171	12,569.05	14,730.00	2,160.95	14.67%
Public & Legal Notices	6190	1,482.64	4,750.00	3,267.36	68.79%
Dues, Memberships & Professional Fees	6200	15,384.50	19,390.00	4,005.50	20.66%
EMT/Paramedic Licensure Fees	6201	2,505.81	5,500.00	2,994.19	54.44%
Rent & Leases (Equipment)	6250	39,120.49	39,140.00	19.51	0.05%
Computer Software & Maintenance	6251	36,894.60	59,875.00	22,980.40	38.38%
Website Development & Maintenance	6252	0.00	1,700.00	1,700.00	100.00%
EPA ID# Verification Fee	6264	150.00	200.00	50.00	25.00%
CCC HazMat Plan (CUPA)	6265	2,519.00	3,000.00	481.00	16.03%
BAAQMD & Environmental Health Fees	6266	194.00	750.00	556.00	74.13%
Air Monitor Maintenance & Replacement	6269	0.00	2,000.00	2,000.00	100.00%
Maintenance -- Equipment	6270	35,504.63	77,325.00	41,820.37	54.08%
Central Garage Repairs	6271	154,164.91	160,000.00	5,835.09	3.65%
Central Garage Gasoline & Oil	6272	43,685.92	80,000.00	36,314.08	45.39%
Central Garage Tires	6273	7,390.73	15,000.00	7,609.27	50.73%
Service/Repair Fuel System Dispensers	6274	2,638.27	4,500.00	1,861.73	41.37%
Aerial Ladder & Pump Testing	6275	600.00	800.00	200.00	25.00%
Smog Inspections	6276	400.00	500.00	100.00	20.00%
Air Compressor Quarterly Service	6278	1,513.88	1,500.00	(13.88)	(0.93)%
Hydro Test SCBA & Oxy Cylinder	6279	1,080.00	2,000.00	920.00	46.00%
Tank Testing	6280	0.00	3,000.00	3,000.00	100.00%
Maintenance -- Building	6281	60,637.94	75,865.00	15,227.06	20.07%
Maintenance -- Grounds	6282	2,412.13	13,650.00	11,237.87	82.33%
Meetings & Travel Expenses	6303	25,916.52	26,200.00	283.48	1.08%
Employee Assistance Program	6309	4,126.20	4,300.00	173.80	4.04%
Medical - Pre-Emp Processing and Annual Exams	6311	37,754.53	43,000.00	5,245.47	12.20%
Ambulance Billing Administration Fees	6312	41,259.75	60,000.00	18,740.25	31.23%
Outside Attorney Fees	6313	64,370.96	60,000.00	(4,370.96)	(7.28)%
Outside CPR Instructors	6314	3,960.00	2,500.00	(1,460.00)	(58.40)%
CCC County Tax Administration Fee	6316	171,950.00	172,000.00	50.00	0.03%
Professional Services	6317	19,137.96	45,750.00	26,612.04	58.17%
Professional Services - Labor Negotiator	6318	202.00	10,000.00	9,798.00	97.98%
Professional Services - Technology	6319	139,910.00	180,000.00	40,090.00	22.27%
Professional Services - Pre-Employment Investigations	6320	12,299.30	15,000.00	2,700.70	18.00%

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - General Fund Actual to Budget 15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Professional Services - Promotional Exams & Recruitment	6321	51,061.49	49,000.00	(2,061.49)	(4.21)%
Professional Services-OPEB Actuarial Valuation	6322	0.00	2,000.00	2,000.00	100.00%
Exterior Hazard Removal	6323	3,121.50	12,000.00	8,878.50	73.99%
Professional Services-Prop Tax Audit & Forecasting	6326	12,600.00	12,600.00	0.00	0.00%
Professional Services	6327	500.00	10,000.00	9,500.00	95.00%
Burn Trailer Grant Maintenance	6352	262.33	3,000.00	2,737.67	91.26%
Testing Materials & Training Props	6354	1,991.18	4,000.00	2,008.82	50.22%
Career Development Classes	6357	13,909.44	26,200.00	12,290.56	46.91%
Target Safety Online Training	6359	6,195.00	6,195.00	0.00	0.00%
Training & Education Classes-Paramedic & EMT CE	6360	6,337.75	5,500.00	(837.75)	(15.23)%
District Sponsored Training-Mandated	6361	23,900.73	20,000.00	(3,900.73)	(19.50)%
Educational Courses/Conferences Board	6377	0.00	2,200.00	2,200.00	100.00%
Recruiting Costs	6470	0.00	55,000.00	55,000.00	100.00%
Strike Team Supplies	6474	11,705.27	9,500.00	(2,205.27)	(23.21)%
Recognition Supplies	6478	7,748.94	12,200.00	4,451.06	36.48%
Other Special Departmental Exp	6479	51,652.35	69,500.00	17,847.65	25.68%
Public Education Supplies	6480	8,449.79	10,500.00	2,050.21	19.53%
CPR Supplies	6481	3,480.15	3,000.00	(480.15)	(16.00)%
LAFCO	6482	9,942.78	9,943.00	0.22	0.00%
Emergency Preparedness Expense	6484	7,967.32	11,350.00	3,382.68	29.80%
Misc. Services & Supplies	6490	19,384.58	39,000.00	19,615.42	50.30%
Property & Liability Insurance	6540	44,684.00	44,684.00	0.00	0.00%
Total Operating Expense		<u>1,690,857.67</u>	<u>2,236,207.00</u>	<u>545,349.33</u>	<u>24.39%</u>
Other Expense					
Bank Fees	7510	3,536.35	5,000.00	1,463.65	29.27%
Interest on County Teeter Account	7520	0.00	100.00	100.00	100.00%
County Tax Collection Fees	7530	252.91	300.00	47.09	15.70%
Total Other Expense		<u>3,789.26</u>	<u>5,400.00</u>	<u>1,610.74</u>	<u>29.83%</u>
Total Expenditures		<u>16,620,802.99</u>	<u>19,143,353.00</u>	<u>2,522,550.01</u>	<u>13.18%</u>
Excess of Revenues Over/ (Under) Expenditures		<u>2,759,277.51</u>	<u>318,934.00</u>	<u>2,440,343.51</u>	<u>765.16%</u>

Moraga-Orinda Fire District
Statement of Revenues and Expenditures - Debt Service Fund Actual to Budget-15/16
From 7/1/2015 Through 5/31/2016

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Revenue					
Taxes					
Property Tax-Current Secured	4010	3,069,093.00	3,069,093.00	0.00	0.00%
Total Taxes		<u>3,069,093.00</u>	<u>3,069,093.00</u>	<u>0.00</u>	<u>0.00%</u>
Use of Money & Property					
Investment Earnings	4181	2,045.92	0.00	2,045.92	0.00%
Total Use of Money & Property		<u>2,045.92</u>	<u>0.00</u>	<u>2,045.92</u>	<u>0.00%</u>
Total Revenue		<u>3,071,138.92</u>	<u>3,069,093.00</u>	<u>2,045.92</u>	<u>0.07%</u>
Expenditures					
Other Expense					
Pension Obligation Bond Principal Payment	7900	1,855,000.00	1,855,000.00	0.00	0.00%
Pension Obligation Bond Interest Payment	7901	1,017,508.50	1,017,509.00	0.50	0.00%
Total Other Expense		<u>2,872,508.50</u>	<u>2,872,509.00</u>	<u>0.50</u>	<u>0.00%</u>
Total Expenditures		<u>2,872,508.50</u>	<u>2,872,509.00</u>	<u>0.50</u>	<u>0.00%</u>
Excess of Revenues Over/ (Under) Expenditures		<u>198,630.42</u>	<u>196,584.00</u>	<u>2,046.42</u>	<u>1.04%</u>



Moraga-Orinda Fire District

TO: Board of Directors

FROM: Gloriann Sasser, Administrative Services Director

DATE: July 6, 2016

SUBJECT: Item 8.1 – PARS OPEB Pre-Funding Trust Program Annual Client Review and Establishment of a Pension Rate Stabilization Program

BACKGROUND

The District pre-funds retiree healthcare benefits using an irrevocable trust fund. The District participates in the Public Agency Retirement Services (PARS) Public Agencies Post-Retirement Health Care Plan Trust Fund. PARS provides an annual client review of the trust fund program. Representatives from PARS and HighMark Capital Management will attend the Board meeting and present the annual review.

In May 2016, the Finance Committee directed staff to bring information to the Board regarding establishment of a pension rate stabilization program (PRSP). The District's Contra Costa County Employees' Retirement Association (CCCERA) pension costs and unfunded liabilities for pension obligations are volatile and difficult to project. PARS provides a PRSP which is an irrevocable trust designed exclusively for California public agencies to prefund pension costs and offset net pension liabilities. Advantages to the PRSP include:

- Funds are separate and apart from CCCERA
- Assets offset the net pension liabilities
- Assets can be accessed anytime to offset pension costs
- The District maintains local control over the assets in the trust
- The District determines the appropriate goals and risk tolerance level for the investments.
- Assets can be invested in a more diversified array of investments to potentially achieve a greater rate of return than the General Fund.

CCCERA plans to provide an updated actuarial valuation in July 2016. Staff recommends the District further explore establishment of a PRSP. However, staff recommends waiting until CCCERA provides the updated information before a decision is made to participate in the PRSP.

RECOMMENDATION

- 1) Discuss, 2) Deliberate, 3) Provide direction regarding establishment of a pension rate stabilization program.

ATTACHMENTS

1. Attachment A – OPEB Pre-Funding Trust Program Client Review

OPEB Pre-Funding Trust Program
Client Review



Moraga-Orinda Fire Protection District

July 6, 2016



Contacts

PARS

Mitch Barker, Executive Vice President
mbarker@pars.org; 800.540.6369 ext. 116

Rachael Sanders, Supervisor, Client Services
rsanders@pars.org; 800.540.6369 ext. 121

HighMark Capital Management

Andrew Brown, CFA, Vice President, Senior Portfolio Manager
andrew.brown@highmarkcapital.com; 415.705.7605

OPEB Trust Team

	PUBLIC AGENCY RETIREMENT SERVICES		
Role	Trust Administrator and Consultant <ul style="list-style-type: none"> Recordkeeping/Sub-trust Accounting Actuarial Coordination Monitor Contributions/ Process Disbursements Monitor Plan Compliance Ongoing Client Liaison Pre-fund Pension Option 	Trustee <ul style="list-style-type: none"> Safeguard Plan Assets Oversight Protection Plan Fiduciary Custodian of Assets 	Investment Manager <ul style="list-style-type: none"> Investment Sub-advisor to U.S. Bank Open Architecture Investment Policy Assistance
Corporate Experience	32 years (1984 – 2016)	153 years (1863 – 2016)	97 years (1919 – 2016)
OPEB Experience	20 years	11 years	20 years
Number of Plans under Administration	1,400+ plans for 700+ public agencies		
Dollars under Administration	More than \$1.9 billion	More than \$4 trillion	More than \$14.9 billion under management

Plan Overview

Type of Plan: IRC Section 115 Irrevocable Exclusive Benefit Trust

Trustee Approach: Discretionary

Plan Effective Date: April 1, 2015

Plan Administrator: Gloriann Sasser- Administrative Services Director

Current Investment Strategy: Capital Appreciation HM PLUS (Active)
-Selected 5/7/15

As of 04/30/2016:

Initial Contribution: May, 2015– \$84,000

Additional Contributions: \$94,000

Total Contributions: \$178,000

Disbursements: \$0

Account Balance: \$175,162

Attachment A

Actuarial Results

We have received the actuarial reports by Bartel Associates, LLC dated September 26, 2014 with a valuation date as of June 30, 2013. In the tables below, we have summarized the results.

Demographic Study

Valuation Date: June 30, 2013	
Active Employees	63
Retirees	94
Total	157
Average Active Employee Age	38.0
Average Active Agency Service	8.2

5

Actuarial Results (continued)

Valuation Date: June 30, 2013	Pay-As-You-Go Discount Rate: 4.00%	Pre-Funding Discount Rate: 7.25%
Total Present Value of Projected Benefits	\$21,292,000	\$21,292,000
Actuarial Accrued Liability (AAL)	\$16,923,000	\$11,927,000
Actuarial Value of Assets	\$0	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$16,923,000	\$11,927,000
Normal Cost	\$420,000	\$217,000
Amortization of UAAL	\$767,000	\$778,000
Annual Required Contribution (ARC)	\$1,187,000	\$994,000
Annual Benefit Payments (For the fiscal year ending 2015)	\$943,000	\$943,000

Note: Rule of thumb -- For every one percent change in the discount rate, the unfunded liability is affected by 10-12%.

6

INSTITUTIONAL TRUST & CUSTODY

INVESTMENT STRATEGY SELECTION AND DISCLOSURE FORM PARS SECTION 115 OPEB TRUST PROGRAM



This document is entered into by client and U.S. Bank National Association ("U.S. Bank"), as trustee.

- Agency: Moraga-Orinda Fire Protection District
- Plan/Trust Name: Moraga-Orinda Fire Protection District PARS Section 115 Post-Retirement Health Care Plan/Trust
- To: HighMark Capital Management, Inc. and U.S. Bank

U.S. Bank has been or is hereby appointed Investment Manager of the above-referenced Plan/Trust. Please invest the assets of the above-referenced Plan/Trust for which you have been appointed Investment Manager in the (select one of the strategies listed below for each Plan funded by the Trust):

STRATEGY	PRIMARY GOAL	STRATEGIC RANGE
<input type="checkbox"/> Liquidity Management (US Treasury)	Provide current income with liquidity and stability of principal through investments in short-term U.S. Treasury obligations.	Money Market Fund
<input type="checkbox"/> Liquidity Management (Prime Obligation)	Generate current income with liquidity and stability of principal.	Money Market Fund
<input type="checkbox"/> Conservative HighMark PLUS <input type="checkbox"/> Conservative Index PLUS	Provide a consistent level of inflation-protected income over the long-term.	Equity: 5-20% Fixed Income: 60-85% Cash: 0-20%
<input type="checkbox"/> Moderately Conservative HighMark PLUS <input type="checkbox"/> Moderately Conservative Index PLUS	Provide current income with capital appreciation as a secondary objective.	Equity: 20-40% Fixed Income: 50-80% Cash: 0-20%
<input type="checkbox"/> Moderate HighMark PLUS <input type="checkbox"/> Moderate Index PLUS	Provide current income and moderate capital appreciation.	Equity: 40-60% Fixed Income: 40-60% Cash: 0-20%
<input type="checkbox"/> Balanced HighMark PLUS <input type="checkbox"/> Balanced Index PLUS	Provide growth of principal and income.	Equity: 50-70% Fixed Income: 30-50% Cash: 0-20%
<input checked="" type="checkbox"/> Capital Appreciation HighMark PLUS <input type="checkbox"/> Capital Appreciation Index PLUS	Primary goal is growth of principal.	Equity: 65-80% Fixed Income: 10-30% Cash: 0-20%
<input type="checkbox"/> Custom	Specify:	Equity: Fixed Income: Cash:

ACKNOWLEDGED AND APPROVED

	Administrative Services Director
Authorized Signer	Title
Giovanni Sasser	5/17/2015
Print Name	Date

Moraga-Orinda Fire Protection District

May 31, 2016

Presented By
Andrew Brown, CFA

DISCUSSION HIGHLIGHTS – Moraga-Orinda Fire Protection District

Investment objective – HighMark Capital Appreciation

Asset Allocation June 2016

Allocation Target – 72.5% stocks (65-85% range), 24.5% bonds (10-30% range), 3% cash (0-20% range)
 • Large cap 34.5%, mid-cap 5%, small cap 13%, international 18%, real estate 2%

Performance

(as of 5-31-2016) gross of investment management fees, net of fund fees

- 3-months: 7.70%
- Year to date: 1.45%
- 1-Year: -2.83%
- Bonds – Short duration a slight negative, High yield detracted
- Stocks
 - Growth/Value performance spread narrowed
 - International still behind US – Divergent growth and monetary policy trends

12-Month Changes

- Sold FEZ – Euro Stoxx 50 ETF
- Real Estate – REIT ETF
- Eliminated two Mid-cap funds
- Added Prudential Total Return Fund
- Sold High Yield – Pimco High Yield Bond Fund
- Overweight to Value

Outlook 2016

- Continue focus on the FED and monetary policy - Fed Funds Rate Rise in July/Sept?
- Oil rebound, Where from here?
- International economic fears – China, Commodities, Europe, UK EU exit
- Market volatility will continue – Portfolio positioned accordingly

Investment objective assumptions



Selected Period Performance PARS PRHCP CAP APPREC HM PLUS

Sector	3 Months	Year to Date (5 Months)	Inception to Date (1 Year)
Cash Equivalents	.08	.12	.16
<i>MoneyNet, Inc. Taxable</i>	.03	.04	.06
Total Fixed Income	2.37	3.12	2.03
BC US Aggregate Bld Index	1.33	3.45	2.99
Total Equities	10.11	1.28	-4.53
Large Cap Funds	9.99	1.16	-1.24
S&P 500 Composite Index	9.12	3.57	1.72
Mid Cap Funds	12.35	4.82	-5.09
Russell Midcap Index	11.13	5.02	-1.97
Small Cap Funds	10.60	1.80	-3.12
Russell 2000 Index	12.15	2.28	-5.97
REIT Funds	9.50	4.64	
Wisdom REIT Index	9.48	4.32	10.40
International Equities	9.18	-2.5	-11.36
MSCI EAFE Index	8.59	-1.10	-8.69
MSCI EM Free Index	9.60	2.32	-17.63
Total Managed Portfolio	7.70	1.45	-2.83

Account Inception: 6/01/2015

Returns are gross of fees unless otherwise noted. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.



ASSET ALLOCATION As of May 31, 2016

Current Asset Allocation	Investment Vehicle	
Equity	Range: 65%-85%	69.97%
Large Cap Core	SMGIX Columbia Contrarian Core Cl Z	8.08%
Large Cap Value	DODGX Dodge & Cox Stock Fund	8.17%
	LSGIX Loomis Sayles Value Fund	8.05%
Large Cap Growth	HACAX Harbor Capital Appreciation Instl	4.79%
	PRGFV T. Rowe Price Growth Stock Fund	4.74%
Mid Cap Core	IWR iShares Russell MidCap Index Fund	3.76%
Mid Cap Value	IWS iShares Russell MidCap Value Fund	1.42%
Small Cap Value	NSVAX Columbia Small Cap Value Fund II	7.80%
Small Cap Growth	PRNHX T. Rowe Price New Horizons Fund	4.95%
International Core	NWHNX Nationwide Baillard Intl Equities Fund	6.12%
International Value	DODFX Dodge & Cox International Stock Fund	3.38%
International Growth	MOGIX MFS International Growth Fund	3.33%
Emerging Markets	SEMNX Schroder Emerging Market Equity	4.19%
Real Estate	FARCX Nuveen Real Estate Secs I Fund	1.20%
Fixed Income	Range: 10%-30%	23.76%
Short-Term	VFSUX Vanguard Short-Term Corp Adm Fund	4.87%
Intermediate-Term	NWJXX Nationwide HighMark Bond Fund	8.82%
	PTTRX PIMCO Total Return Instl Fund	4.57%
	PTROX Prudential Total Return Bond Q	4.55%
High Yield	PHYXX PIMCO High Yield Instl	0.96%
Cash	Range: 0%-20%	6.27%
	FPZXX First American Prime Obligations Fund	6.27%
TOTAL		100.00%



MORAGA-ORINDA FPD For Period Ending May 31, 2016

Fund Name	1-Month		Year-to-Date	3-Year		5-Year		10-Year
	Return	Return		Return	Return	Return	Return	
LARGE CAP EQUITY FUNDS								
Columbia Contrarian Core Cl Z	2.16	15.51	3.37	11.80	11.73	12.31	9.32	
Dodge & Cox Stock	2.29	11.81	3.42	-3.93	9.27	10.50	5.42	
Harbor Capital Appreciation Instl	2.63	8.46	-3.67	-1.42	13.24	11.62	8.59	
Loomis Sayles Value Fund	2.00	11.32	2.31	-3.94	7.95	9.70	6.55	
T. Rowe Price Growth Stock	2.11	7.46	-3.67	-1.41	12.79	12.30	8.67	
S&P 500 Index	1.88	9.12	3.97	1.72	11.96	11.67	7.41	
MID CAP EQUITY FUNDS								
iShares Russell Midcap Value	1.61	13.32	7.77	-0.51	9.98	10.69	7.58	
Russell Mid Cap Value Index	1.64	13.40	7.89	-0.31	10.22	10.92	7.76	
iShares Russell Midcap Index	1.62	11.02	4.93	-2.12	10.00	10.17	7.58	
Russell Mid Cap Index	1.64	11.13	5.02	-1.97	10.19	10.33	8.03	
SMALL CAP EQUITY FUNDS								
Columbia Small Cap Value II Z	1.56	9.16	4.59	-3.93	7.73	8.18	6.54	
T. Rowe Price New Horizons	2.60	11.66	-0.52	-3.31	11.25	12.54	10.22	
Russell 2000 Index	2.29	12.19	2.28	-5.97	6.93	7.86	6.27	
REAL ESTATE FUNDS								
Nuveen Real Estate Securities I	2.45	9.46	4.41	10.16	10.21	10.01	8.27	
INTERNATIONAL EQUITY FUNDS								
Dodge & Cox Intl Stock	-0.94	12.21	-1.26	-18.17	0.52	1.35	2.58	
Nationwide Baillard Intl Equities	-0.79	7.53	-1.05	-7.99	4.04	2.51	2.80	
Schroder Emerging Market Equity	-2.22	9.97	1.29	-16.65	-4.78	-4.31	3.61	
MFS International Growth I	0.31	8.46	2.73	-5.19	2.02	2.28	4.34	
MSCI EAFE Index	-0.91	8.99	-1.10	-9.68	2.00	2.12	1.92	
MSCI Emerging Markets Index	-3.73	9.60	2.32	-17.63	-4.95	-4.83	3.11	
BOND FUNDS								
Nationwide HighMark Bond Fnd	-0.27	2.60	0.06	2.63	2.82	3.52	5.19	
Pimco Total Return Instl	0.27	2.17	2.51	2.00	2.11	3.35	6.11	
Prudential Total Return Bond Q	0.03	2.73	4.29	2.84	3.13	4.68	6.37	
Vanguard Short-Term Investment-Grade Adm	0.01	1.50	2.23	2.09	1.97	2.20	3.68	
PIMCO High Yield Instl	0.22	3.96	5.31	-6.16	3.13	5.80	6.63	
BarCap US Aggregate Bond	0.63	1.33	3.46	2.99	2.91	3.33	4.97	
Credit Suisse HY	0.77	0.41	7.92	-1.67	2.54	5.17	6.93	

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.



Administrative Review

- ✓ Future Contributions
- ✓ Future Disbursement Requests – Options
- ✓ Agency's future actuarial valuation for GASB 45 compliance – Next Valuation Due: 06/16
- ✓ Investment Guidelines Document – Signed by Client 5/6/15
- ✓ Client Funding Policy
- ✓ Pension Rate Stabilization Plan (PRSP)
- ✓ Client Feedback

13

Investment Guidelines Document

Moraga-Orinda Fire Protection District Retiree Healthcare Plan

April 2015

Investment Guidelines Document

Scope and Purpose

The purpose of this Investment Guidelines Document is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's short- and long-term needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Key Plan Sponsor Account Information as of April 2015

Plan Sponsor:	The Board of the Moraga-Orinda Fire Protection District
Governance:	The Fire Chief or Administrative Services Director of the Moraga-Orinda Fire Protection District
Plan Name ("Plan"):	Moraga-Orinda Fire Protection District Retiree Healthcare Plan
Trustee:	US Bank Contact: Susan Hughes, 949-224-7209 susan.hughes@usbank.com
Type of Account:	GASB 45/Other Post-Employment Benefits Trust
ERISA Status:	Not subject to ERISA
Investment Manager:	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Andrew Brown, CFA, 415-705-7605 Andrew.Brown@highmarkcapital.com

Investment Authority: Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

Investment Objectives and Constraints

The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should earn, on a long-term average basis, a rate of return equal to or in excess of the target rate of return of 7.25%.
- The Plan should seek to earn a return in excess of its policy benchmark over the long-term.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

Investment Time Horizon: Long-term

Anticipated Cash Flows: Distributions are expected to be low in the early years of the Plan

Target Rate of Return: 7.25% annual target

Investment Objective: The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the Capital Appreciation Objective, which has a primary goal of growth of principal.

Risk Tolerance: Capital Appreciation

The account's risk tolerance has been rated above average, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Attachment A

Strategic Asset Allocation: The asset allocation ranges for this objective are listed below:

Strategic Asset Allocation Ranges		
Cash	Fixed Income	Equity
0-20%	15%-35%	65%-85%
Policy: 6%	Policy: 20%	Policy: 75%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

Security Guidelines:

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	65%-85%
Equity Style	Range
Domestic Large Cap Equity	25%-65%
Domestic Mid Cap Equity	0%-18%
Domestic Small Cap Equity	0%-25%
International Equity (Incl. Emerging Markets)	0%-25%
Real Estate Investment Trust (REIT)	0%-15%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	15%-35%
Fixed Income Style	Range
Long-term bonds (maturities >7 years)	0%-20%
Intermediate-term bonds (maturities 3-7 years)	10%-35%
Short-Term bonds (maturities <3 years)	0%-15%
High Yield bonds	0%-8%

Performance Benchmarks:

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

39.60%	S&P500 Index
7.60%	Russell Mid Cap
10.50%	Russell 2000
5.25%	MSCI EM FREE
10.25%	MSCI EAFE
2.00%	Wishire REIT
16.00%	BC US Aggregate
3.00%	ML 1-3 Year US Corp/Gov't
1.00%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell MidCap Index
Growth	Russell MidCap Growth
Value	Russell MidCap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wishire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	BarCap US Aggregate Bond
High Yield	US High Yield Master II

Security Selection

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-advisor.

Investment Limitations:

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs*

*Permissible in diversified mutual funds and exchange-traded funds

Duties and Responsibilities

Responsibilities of Plan Sponsor

The Fire Chief or Administrative Services Director of the Moraga-Orinda Fire District is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

Responsibilities of Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Responsibilities of Investment Manager

The Investment Manager is responsible for:


- Assisting the Fire Chief or Administrative Services Director with the development and maintenance of the Investment Policy Guideline document.
- Meeting with the Finance Committee to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.

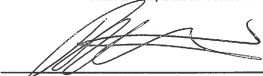
- Recommending changes to any of the above.
- Preparing and presenting appropriate reports.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

Acknowledgement and Acceptance

I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Guidelines Document, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Guidelines Document supersedes all previous versions of an Investment Guidelines Document or investment objective instructions that may have been executed for this account.

 Date: 5/6/15
Plan Sponsor: The Board of the Moraga-Orinda Fire District
Alex Evans, Board President

 Date: 5/7/15
Investment Manager: Andrew Brown, CFA, Senior Portfolio Manager, (415) 705-7605

Attachment A



PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q1 2016

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution
HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence
Our manager review committees utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management
The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

Strategic Range	Policy	Tactical
Equity	65 - 85%	75% / 72%
Fixed Income	10 - 30%	20% / 25%
Cash	0 - 20%	5% / 3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Current Quarter*	0.53%
Blended Benchmark**	1.27%
Year To Date*	0.53%
Blended Benchmark*	1.27%
1 Year*	-2.16%
Blended Benchmark	-1.51%
3 Year*	6.55%
Blended Benchmark	6.96%
5 Year*	6.64%
Blended Benchmark	7.24%
Inception to Date (87-Mos.)	10.10%
Blended Benchmark	11.04%

* Returns less than 1-year are not annualized. ** Breakdown for Blended Benchmark: 38.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EMFRES, 10.25% MSCI EAFE, 16% SC US Agg, 3% ML, 1.3% NY Cos/STOX, 1% US High Yield Master II, 2% Wilshire REIT, and 5% C&I 1 Mth T-Bill.

ANNUAL RETURNS

2008	N/A%
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%

PORTFOLIO FACTS

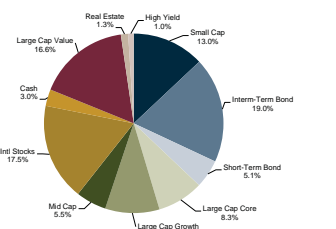
HighMark Plus (Active)	Index Plus (Passive)
Inception Date	01/2009
No of Funds in Portfolio	20
No of Funds in Portfolio	No of Funds in Portfolio

SAMPLE HOLDINGS

HighMark Plus (Active)	Index Plus (Passive)
Columbia Contrarian Core Z	iShares S&P 500
T. Rowe Price Growth Stock	iShares S&P 500/Value
Columbia Small Cap Value II Z	iShares S&P 500/Growth
T. Rowe Price New Horizons	iShares Russell 2000 Value
Nationwide Ballard International Equities	iShares Russell 2000 Growth
Nationwide HighMark Bond	iShares MSCI EAFE
Vanguard Short-Term Invest-Grade Adm	iShares Russell Mid-Cap ETF
Loomis Sayles Value Y	iShares Russell Mid-Cap Value
PIMCO Total Return	iShares Barclays Aggregate Bond
Dodge & Cox International Stock	Vanguard Short-Term Invest-Grade Adm
MFS International Growth I	First American Prime Obligation Z
First American Prime Obligation Z	SPDR Euro Stoxx 50 ETF
iShares Russell Mid-Cap ETF	PIMCO High Yield
iShares Russell Mid-Cap Value	Nuveen Real Estate Securities I
Harbor Capital Appreciation	
Schroder Emerging Market Equity	
Dodge & Cox Stock	
SPDR Euro Stoxx 50 ETF	
PIMCO High Yield	
Nuveen Real Estate Securities I	

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Capital Appreciation active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolio is US Bank, and HighMark serves as sub-advisor to US Bank to manage these portfolios. US Bank may charge clients as much as 0.02% annual management fee based on a sliding scale. As of March 31, 2016, the blended rate is 0.05%. US Bank pays HighMark 50% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 2% annual total return, and an annual sub-advisory fee rate of 0.30% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.24 million after fees. (Net of fees) and \$12.76 million before fees. (Gross of fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The Russell 2000 Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 13 Year U.S. Corporate & Government Index tracks the bond performance of the ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), a SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUFG). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-advisor for mutual funds, common trust funds, and collective investment funds (MUT), a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark, and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734
www.highmarkcapital.com

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$14.9 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Andrew Bates, CFA®
Portfolio Manager
Investment Experience: since 2008
HighMark Tenure: since 2015
Education: BS, University of Colorado

Salvatore "Tony" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BS, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1996
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 25
Average Tenure (Years): 12

Manager Review Group

Number of Members: 9
Average Years of Experience: 18
Average Tenure (Years): 6

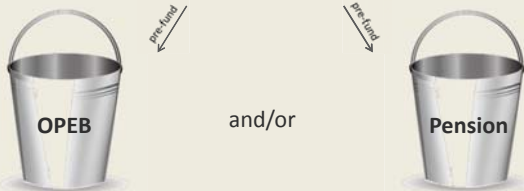
Actuarial Results

In response to the lack of options, PARS developed a Section 115 Trust program to enable public agencies to pre-fund retirement obligations through a locally controlled trust.

As of June 30, 2015, Moraga-Orinda Fire Protection District's CCCERA pension plan is as follows:

Net Pension Liability	\$28.6 M
Total Employer Contribution Amount for FYE 2015	\$4.5 M
Proportional Share of Net CCCERA Liabilities (2.393%):	
Actuarial Accrued Liability	~ \$195.0 M

PARS IRS-Approved Combination 115 Trust



- Assets are sub-accounted for separately
- Pre-fund one now and the other later
- Lower unfunded liabilities
 - Pension (GASB 68) - OPEB (GASB 45/75)
- Can choose different investment risk tolerance levels for each
- Can access funds at anytime; OPEB for OPEB and pension for pension
- Assets (OPEB and Pension) aggregate and reach lower fees on tiered schedule sooner – saving money!
- No cost to set up; no fees until assets are added

Advantages of Using a Separate Trust Fund

- 1 Complete Local Control over Assets**
Account can be accessed at anytime as long as it is used to pay the employer's pension obligation
- 2 Pension Rate Stabilization**
Assets can be transferred to retirement system plan at the agency's direction, which can reduce or eliminate large fluctuations in Employer contributions to retirement system
- 3 Rainy Day Fund**
Emergency source of funds when Employer revenues are impaired based on economic or other conditions
- 4 Lower Costs**
115 Trust might have lower overall administrative and investment management costs compared to the retirement system

28

Advantages of Using a Separate Trust Fund

- 5 Lower Net Pension Liability (NPL) for GASB 68**
Contributions placed in an exclusive benefit trust reduces agency's unfunded pension liability
- 6 Improved Credit Ratings**
Rating agencies may look favorably upon actions to reduce liabilities
- 7 Actuarially Sound Retirement System**
Provide integrity and security for the source of funding for retirement benefits
- 8 Diversified Investing**
Can choose risk tolerance level for agency's unique needs

29



Moraga-Orinda Fire District

TO: Board of Directors

FROM: Grace Santos, District Clerk

DATE: July 6, 2016

SUBJECT: Item 8.2 – California Special Districts Association (CSDA) 2016 Board Elections

BACKGROUND

The District received a mail ballot to elect a representative to the CSDA Board of Directors in its Network for Seat B. Each of CSDA's six (6) networks has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in our network. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its network.

Enclosed with the ballot are candidate information sheets and statements for each candidate who submitted a statement.

RECOMMENDATION

- 1) Discuss; 2) Deliberate; 3) Vote for one candidate to represent our network in Seat B.

ATTACHMENT

1. Attachment A – Candidate Information Sheets and Candidate Statements

Attachment A



California Special
Districts Association
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: JOHN CARAPIET

District/Company: SANITARY DISTRICT NO. 5 OF MARIN CO.

Title: BOARD DIRECTOR - SECRETARY

Elected/Appointed/Staff: SDS BOARD OF DIRECTORS

Length of Service with District: SINCE SEPTEMBER, 2013

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

N/A

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

35 YRS. w/ S.F. PUBLIC UTILITIES COMMISSION, RET. AS SR. WATER SERVICES INSPECTOR

4. List civic organization involvement:

CIVIL GRAND JURY, MARIN COUNTY

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**



California Special
Districts Association
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Ryan Clausnitzer

District/Company: Alameda County Mosquito Abatement District

Title: District Manager

Elected/Appointed/Staff: 14 - Trustees ; 16 - Full time staff ; 6 - part-time

Length of Service with District: 9 months as District Manager , 2 years as Trustee

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Completed all 4 Modules of CSDA SDA ; completed Board Secretary/Clerk Program ; Supervisory Skills for the public Sector ; Attending Gov. Mgr. Leadership Summit

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Coastal Representative to Mosquito Vector Control Association & California's Regulatory Committee, CSDA Representative ; CA Conf. of Directors of Environmental Health

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Candidate to Bay Area Restoration Authority Advisory Committee, Hayward Area Shoreline Planning Agency

4. List civic organization involvement:

Returned Peace Corps Volunteer ; Big Brother / Big Sister of the Bay Area Sponsor ; former leader of Habitat for Humanity

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

RECEIVED

March 14, 2016

MAY 18 2016

Ms. Charlotte Lowe
CSDA
1112 I Street, Suite 200
Sacramento, CA 95814

CSDA

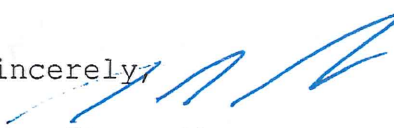
Re: CSDA Board of Directors Bay Area Network Seat B

I am applying as a CSDA board member representing the Bay Area. I should be considered seriously as a candidate from my public sector experience, education, training, leadership, volunteerism, the District's record, and dependable work ethic.

Coming from city, county, and national governments to working in special districts as staff, a board member, the board president, and now general manager provides a unique and valuable perspective. Also, there are no board members representing mosquito and vector control agencies. Leading an agency of our size requires the general manager to become the agency's fiscal, human resource, board procedures, and operational expert. I am able to effectively complete these tasks because of the CSDA. As a Trustee, I completed the Special District Leadership Academy. As a general manager, I attended the Board Secretary/Clerk training (as I also act as the Board Secretary). I will be soon applying for the Certificate of Transparency; a recognition that I am proud of and not easy to achieve.

Thank you for considering me as a Board member. I would be honored to have the opportunity to enjoy and excel in this position.

Sincerely,



Ryan Clausnitzer
General Manager
Alameda County Mosquito Abatement District
23187 Connecticut Street
Hayward, CA 94545
5410-783-7744
ryan@mosquitoes.org

Encl: Nomination form, candidate information sheet, nomination from board reflected in agenda and minutes