

# Moraga-Orinda Fire Protection District



## BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

July 6, 2016

(Approved July 20, 2016)

### 1. **Opening Ceremonies**

The Board of Directors convened in Open Session at 6:00 P.M. on July 6, 2016 in the Orinda Library Auditorium, 26 Orinda Way, Orinda, California. Director Evans was absent. President Anderson called the meeting to order.

Present were the following Directors and Staff:

Director Anderson	Stephen Healy, Fire Chief
Director Barber	Gloriann Sasser, Admin Services Director
Director Famulener	John Bakker, District Counsel
Director Weil	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 7:06 P.M. Present were the following Directors and Staff:

Director Anderson	Stephen Healy, Fire Chief
Director Barber	Gloriann Sasser, Admin Services Director
Director Famulener	Grace Santos, District Clerk
Director Weil	Sean Perkins, Battalion Chief

### 5. **Report of Closed Session Action**

There was no reportable action taken during Closed Session on items 3.1 Conference with Legal Counsel – Existing Litigation, 3.2 Conference with Labor Negotiator, 3.3 Conference with Labor Negotiator, and 3.4 Conference with Labor Negotiator.

### 6. **Public Comment**

Richard Olsen, Moraga resident, stated that he came to the meeting to rebut any negative comments regarding the closure of the Moraga Country Club golf course on the Fourth of July. There were no negative comments.

### 7. **Consent Agenda**

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

Motion by Director Weil and seconded by Director Barber to receive and file Item 7.2. Monthly Financial Reports. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener and Weil; Absent: Evans).

Director Famulener stated that there was an error on the Meeting Minutes, page 2, Item 8.5 – the first sentence of the third paragraph from the bottom. It currently states, "Based on the ballot language, the Orinda fire flow tax was restricted to use in the Orinda service area." Director Famulener suggested to change it so that it states, "Based on arguments in the election handbook, the arguers hoped to restrict use to the Orinda service area."

ASD Sasser stated that the actual ballot language for the fire flow tax did in fact restrict the fire flow tax to be used in the Orinda service zone. The arguments were general and some think that the arguments in the voter pamphlet referred to the property tax revenue as well.

Motion by Director Weil and seconded by Director Barber to receive and file item 7.1. Meeting Minutes. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener and Weil; Absent: Evans).

## 8. Regular Calendar

### 8.1 Annual OPEB Account Review and Pension Rate Stabilization Fund Information

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 attended the Board meeting and presented 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 pre-fund 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.

Rachael Sanders and Mitch Barker, from PARS, and Andrew Brown from HighMark Capital Management gave a PowerPoint presentation on the OPEB Pre-Funding Trust Program Client Review and answered some questions from the Board and the public.

David Ramazetti, Moraga resident, commented on the 18% international exposure and adding alternative investments, specifically private equity, to a pension plan. Andrew Brown explained that 18% is a healthy allocation for the District. Mr. Brown stated that mutual or index funds within the portfolio can be utilized, that there are alternative investments, but the fees are typically expensive and hard to justify.

The Board agreed that a Pension Rate Stabilization Program is worth exploring. They directed staff to conduct some research and produce a template of what the program would look like, any associated costs, and how it would affect the District's finances. They asked staff to bring the item back at a future meeting and requested that the PARS and HighMark Capital representatives return to present their risk-investment strategies.

## **8.2 California Special Districts Association 2016 Board Elections**

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 were candidate information sheets and statements for each candidate who submitted a statement.

After a brief discussion, motion by Director Weil and seconded by Director Famulener to vote for John Carapiet to represent our network in Seat B. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener and Weil; Absent: Evans).

## **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))

President Anderson and Director Weil reported that they attended the MOFD Volunteer Appreciation Dinner on June 21, 2016. Over 40 volunteers from the Rescue One Foundation, MOFD Communications Support Unit, and CERT attended. They commented on how amazed and appreciative they are that such a large number of people volunteer their valuable time and hard work for the District. Chief Healy stated that the Rescue One Foundation has raised over \$408,000 in donations for the District throughout the years.

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

Director Weil stated that MOFD firefighter/paramedics assisted a friend of his during a medical emergency. Director Weil's friend and his wife were very surprised at how fast the crew arrived to his home, amazed at the treatment he received during the transport and the communications between the paramedics and the hospital staff. His friend is doing fine and resting up. They had nothing but the finest things to say about the treatment he received.

At the last meeting, the Board directed staff to schedule another meeting regarding the discussion on tax equity within the District. After a brief discussion, the Board and staff agreed to discuss the matter at a future meeting.

## **11. Adjournment**

At 9:20 P.M., President Anderson called for adjournment of the regular meeting.



Grace Santos  
Secretary to the Board