

# **MINUTES**

## **ORANGE COUNTY FIRE AUTHORITY**

**Budget and Finance Committee Meeting**  
**Wednesday, November 6, 2013**  
**12:00 Noon**

**Regional Fire Operations and Training Center**  
**Room AE117**  
1 Fire Authority Road  
Irvine, CA 92602

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### **CALL TO ORDER**

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on November 6, 2013, at 12:00 p.m. by Chair Swift.

### **PLEDGE OF ALLEGIANCE**

Director Kelley led the assembly in the Pledge of Allegiance to our Flag.

### **ROLL CALL**

**Present:** Sam Allevato, San Juan Capistrano  
Randal Bressette, Laguna Hills  
Trish Kelley, Mission Viejo  
Jerry McCloskey, Laguna Niguel  
Elizabeth Swift, Buena Park  
Steven Weinberg, Dana Point

**Absent:** Al Murray, Tustin

#### **Also present were:**

Fire Chief Keith Richter  
Assistant Chief Lori Zeller  
Assistant Chief Brian Stephens  
Assistant Clerk Lydia Slivkoff

Deputy Chief Craig Kinoshita  
Assistant Chief Dave Thomas  
Clerk of the Authority Sherry Wentz

### **PUBLIC COMMENTS (X: 12.02B3)**

Chair Swift opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, commented on his concerns regarding the LSL audit, the bidding process, and procurement department irregularities. He provided a letter, which is on file in the Office of the Clerk. (F: 15.02A1)

Chair Swift closed the Public Comments portion of the meeting.

## MINUTES

**1. Minutes for the October 9, 2013, Budget and Finance Committee Meeting (F: 12.02B2)**

On motion of Director Kelley and second by Director Allevato, the Committee voted unanimously to approve the minutes of the October 9, 2013, Budget and Finance Committee Meeting, as submitted.

## CONSENT CALENDAR

**2. Approval of the Meeting Schedule for the Budget and Finance Committee for Calendar Year 2014 (F: 12.02B)**

On motion of Director McCloskey and second by Vice Chair Bressette, the Committee voted unanimously to approve the proposed 2014 Meeting Schedule for the Orange County Fire Authority Budget and Finance Committee.

**3. First Quarter Financial Newsletter – July to September 2013 (F: 15.07)**

On motion of Director McCloskey and second by Vice Chair Bressette, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

## DISCUSSION CALENDAR

**4. Monthly Status Update - Orange County Employees' Retirement System (F: 17.06B)**

Treasurer Tricia Jakubiak provided an overview of the Monthly Status Update on the Orange County Employees' Retirement System.

Fire Chief Richter indicated OCERS had a change in its Compensation Philosophy that provides pay increases for Executive and Management employees, and noted its inconsistency with planned sponsor philosophies. Assistant Chief Zeller provided an overview on the potential financial impacts to OCFA and contract cities, should OCERS modify its policy for amortization of unfunded pension liabilities.

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On motion of Vice Chair Bressette and second by Director McCloskey, the Committee voted unanimously to direct Fire Chief Richter and Assistant Chief Zeller to submit letters to OCERS in opposition to its Compensation Philosophy.

On motion of Vice Chair Bressette and second by Director Kelley, the Committee voted unanimously to receive and file the report.

**5. Monthly Investment Report (F: 11.10D2)**

Treasurer Tricia Jakubiak provided an overview of the Monthly Investment Report and current global market activity.

On motion of Vice Chair Bressette and second by Director Allevato, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**6. Annual Statement of Investment Policy and Investment Authorization (F: 11.10D)**

Treasurer Tricia Jakubiak provided an overview of the Annual Statement of Investment Policy and Investment Authorization.

On motion of Director Kelley and second by Director Allevato, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2014.
2. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2014.

On motion of Director Weinberg and second by Director Kelley, the Committee voted unanimously to direct staff to return to the Budget and Finance Committee in January to discuss the option of using an outside investment manager.

**7. Audited Financial Reports for the Fiscal Year Ended June 30, 2013 (F: 15.06)**

Finance Manager/Auditor Jim Ruane introduced Rich Kikuchi, Partner with Lance, Soll & Lunghard, LLC, who provided an overview on the Audited Financial Reports for the Fiscal Year Ended June 30, 2013.

On motion of Director McCloskey and second by Director Kelley, the Committee voted unanimously to:

1. Confirm the calculations' consistency with the OCFA's *Assigned Fund Balance Policy*.
2. Direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors receive and approve the reports.

**8. FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis (F: 15.11)**

Finance Manager/Auditor Jim Ruane provided a PowerPoint presentation on the FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis.

Chair Swift left the meeting at this point (1:17 p.m.). Vice Chair Bressette assumed the chair.

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis stating the report's data concerning the Top 10 Earners was inconsistent with the Grand Jury compensation data.

On motion of Director Allevato and second by Director Weinberg, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the report.

**9. 2013 Update – Fiscal Health Plan & Financial Stability Budget Policy (F: 11.10B)**

Assistant Chief Lori Zeller provided an overview of the 2013 Update – Fiscal Health Plan & Financial Stability Budget Policy.

On motion of Director Weinberg and second by Director Allevato, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors adopt the submitted policies.

**10. Refunds for Unverified Hazardous Materials Disclosure Inspections – Follow-up Actions (F: 18.11A1)**

Assistant Chief Lori Zeller provided an update on the Refunds for Unverified Hazardous Materials Disclosure Inspections–Follow-up Actions.

On motion of Director Weinberg and second by Director Allevato, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Direct staff to process a second mailing to eligible businesses that have not yet claimed refunds, using updated addresses where feasible.
  - a. Work with the Orange County Health Care Agency (HCA) for availability of more recent address information relating to these businesses.
  - b. Provide the list of outstanding eligible businesses, sorted by city, to our member agencies for any assistance that they may be able to provide in locating current addresses for these businesses.
  - c. Utilize light-duty staff to assist in searching public information that may lead to new addresses for the outstanding businesses.
  - d. Utilize the existing address on file if updated addresses cannot be located for businesses.
  - e. Issue the second letters to these eligible businesses on or about January 15, 2014.
2. Authorize a cut-off date of April 30, 2014, whereby the value of any remaining unclaimed refunds will be transmitted to the HCA for use in the existing Hazardous Materials Disclosure (HMD) program, thereby benefitting the existing participating HMD businesses.
3. Direct staff to work with the HCA in developing potential actions for disposition of the \$935,870 in funds that resulted from FY 2007/08 HMD fee reductions that were approved by the OCFA Board of Directors after the HMD billings had been processed.
  - a. Potential actions should be brought back to the Budget and Finance Committee and Board of Directors, for further discussion and action.

#### **REPORTS (F: 12.02B6)**

No items.

#### **COMMITTEE MEMBER COMMENTS (F: 12.02B4)**

Director Weinberg commended OCFA firefighters, and the combined efforts of public agencies, for a job well done during a fire in the City of Dana Point.

Vice Chair Bressette indicated OCFA firefighters are top notch, and noted the citizens of the County of Orange are very safe.

Director Kelley thanked Assistant Chief Zeller and Division Chief Wells for providing a presentation on the Second Amendment to the Amended Joint Powers Agreement to the Mission Viejo City Council. She also indicated the city received a letter from resident Stephen Wontrobski regarding his concerns with equity.

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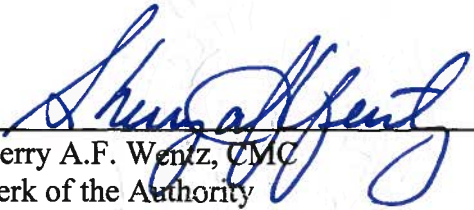
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Director Allevato indicate the Second Amendment to the Amended Joint Powers Agreement was approved as a Consent Item at the November 5, 2013, San Juan Capistrano City Council meeting.

Director McCloskey indicated while OCFA may have administration issues, it is still an outstanding organization.

**ADJOURNMENT** – Vice Chair Bressette adjourned the meeting at 1:42 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, January 8, 2014, at 12:00 noon.

  
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Sherry A.F. Wentz, CMC  
Clerk of the Authority