

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting
Wednesday, February 5, 2014
12:00 Noon

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on February 5, 2014, at 12:02 p.m. by Chair Swift.

PLEDGE OF ALLEGIANCE

Director Murray 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
Al Murray, Tustin
Elizabeth Swift, Buena Park
Steven Weinberg, Dana Point

Absent: None

Also present were:

Fire Chief Keith Richter	General Counsel David Kendig
Deputy Chief Craig Kinoshita	Assistant Chief Brian Stephens
Assistant Chief Dave Thomas	Assistant Chief Lori Zeller
Clerk of the Authority Sherry Wentz	Assistant Clerk Lydia Slivkoff

PUBLIC COMMENTS (X: 12.02B3)

Chair Swift opened the Public Comments portion of the meeting. Chair Swift closed the Public Comments portion of the meeting without any public comments.

MINUTES

1. Minutes for the January 8, 2014, Budget and Finance Committee Meeting (F: 12.02B2)

On motion of Vice Chair Bressette and second by Director Murray, the Committee voted unanimously to approve the minutes of the January 8, 2014, Budget and Finance Committee Meeting, as submitted.

CONSENT CALENDAR

2. Monthly Investment Reports (F: 11.10D2)

On motion of Director Kelley 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 February 27, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

3. Second Quarter Financial Newsletter – *July to December 2013* (F: 15.07)

On motion of Director Kelley and second by Vice Chair Bressette, the Committee voted unanimously to direct staff to place this item on the agenda for the Executive Committee meeting of February 27, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

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

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

DISCUSSION CALENDAR

5. Request for Proposal No. DC1857 - Third Party Workers' Compensation Administration & Managed Care Services (F: 18.10A2)

Assistant Chief Zeller provided an overview on proposed Third Party Workers' Compensation Administration & Managed Care Services and introduced Interim Human Resources Director Janet Wells who provided a detailed PowerPoint presentation.

Public comments were received from Ken Gabrielson, Vice President, Orange County Professional Firefighters Association (OCPFA), Local 3631, in support of the Alternative Dispute Resolution (ADR) Program.

Public comments were received from Debbie Fredericks, Vice President, Corvel Corporation, in support of awarding the contract to CorVel Corporation. Ms. Fredericks also provided an overview of CorVel's services and facilities.

Public comments were received from Jody Gray, President, York Risk Services Group, opposing the contract award to CorVel Corporation. She indicated York stood by its points of protests, and declined the contract award to manage Traveler's claims.

A lengthy discussion ensued.

On motion of Director Kelley and second by Director Weinberg, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of March 27, 2014, with the Budget and Finance Committee's amendments and recommendations that the Executive Committee:

1. Approve and authorize the Fire Chief to sign the proposed Professional Services Agreement for TPA and MC Services with CorVel Corporation, effective June 1, 2014, for the initial term of five years and three additional one-year contract extensions.
 - a. The TPA pricing will be a fixed cost with annual adjustments for eight years as outlined in the updated pricing index (pricing reflects reduction of costs to exclude handling the 49 open indemnity claims).
 - b. The MC Services will be based on the agreed cost listed in the pricing index; the overall cost of these services is based on actual claims activity and bill volume (bill review, utilization review and nurse case management) for each category of service.
 - c. Allocated Expenses (attorney fees, copy service fees, interpreter fees) are not included in the claims administration fees and will be charged per the contracted rates.
2. Direct staff to return to the Budget and Finance Committee and the Executive Committee after one year of service to provide a status report and after two years of service (i.e., July 2016), to evaluate performance and the resulting contract costs under the new contract with CorVel Corporation.

6. OCFA 2014 Grants Status and Priorities (F: 11.10G)

Assistant Chief Stephens introduced Legislative Analyst/Grants Manager Jay Barkman who provided an overview on the 2014 Grant Status and Priorities report.

On motion of Director Kelley and second by Vice Chair Bressette, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of February 27, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors approve OCFA's grant priorities for 2014.

7. Proposed Scope for Year Two of the Comprehensive Review of OCFA's Financial Internal Controls (F: 15.02A1)

Assistant Chief Zeller introduced Finance Manager/Auditor Jim Ruane who provided an overview of the proposed scope for year two of the comprehensive review of OCFA's financial internal controls.

On motion of Director Murray and second by Vice Chair Bressette, the Committee voted unanimously to approve the following three areas to be included in the second year of the comprehensive internal control review:

1. Capital Assets and Inventory Control
2. Request for Proposals (RFP) Process
3. Advanced Life Support (ALS) Controlled Medications Accountability

8. Disposition of Remaining Hazardous Materials Disclosure Fund Balance (F: 18.11A1)

Assistant Chief Zeller provided an overview of the disposition of the remaining Hazardous Materials Disclosure Fund Balance.

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

1. Direct staff to implement all necessary budget adjustments to remit the \$935,870 in HMD funds designated in the OCFA's General Fund, and to transmit any unclaimed refunds remaining after April 30, 2014, to the Orange County Health Care Agency (HCA). The HCA will deposit the funds in a special revenue account for use in the existing HMD Program.
2. Approve the submitted Indemnification Agreement between the OCFA and the County of Orange to hold the County harmless from liability arising from the transfer of funds.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

Director Murray indicated he attended the OCFA's Best & Bravest Award Ceremony and commended Chief Richter, the nominees, and award recipients.

Chair Swift indicated she also attended the ceremony and commented on the memorial tribute to the Fire Apparatus Engineer Greg Hennessey.

Director Allevato attended the Saddleback Valley Elks 2013 Annual Firefighters and Law

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Enforcement Appreciation Awards Dinner, and noted the camaraderie between the OCFA and Sheriff's Department.

Director Weinberg reported on his attendance at the OCFA's Best & Bravest Award Ceremony.

Chair Swift commended Battalion Chief Marc Stone for being well trained, and for following his instincts when he witnessed a damaged vehicle on his way to work. He located a bicyclist who was killed by a hit and run driver, and provided a description of the vehicle to law enforcement who was then able to pursue and arrest the driver.

Director McCloskey reported on his attendance at the Saddleback Valley Elks 2013 Annual Firefighters and Law Enforcement Appreciation Awards Dinner. He commented on the respect deputies and firefighters had for each other.

Director Kelley congratulated Assistant Chief Lori Zeller and Treasurer Tricia Jakubiak for being nominated as the Best & Bravest Manager of the year.

ADJOURNMENT – Chair Swift adjourned the meeting at 1:27 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, March 12, 2014, at 12:00 noon.



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