

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, November 17, 2016
6:00 P.M.**

**Regional Fire Operations and Training Center Board Room
1 Fire Authority Road
Irvine, CA 92602-0125**

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on November 17, 2016, at 6:00 p.m. by Chair Hernandez.

INVOCATION

Chaplain Brett Peterson offered the invocation.

PLEDGE OF ALLEGIANCE

Director Gamble led the Assembly in the Pledge of Allegiance to the Flag.

ROLL CALL

Robert Baker, San Clemente
Laurie Davies, Laguna Niguel
Craig Green, Placentia
Gene Hernandez, Yorba Linda
Jeffrey Lalloway, Irvine
John Perry, San Juan Capistrano
Ed Sachs, Mission Viejo
Don Sedgwick, Laguna Hills
David Sloan, Seal Beach
Michele Steggell, La Palma
Tri Ta, Westminster

Lisa Bartlett, County of Orange
Carol Gamble, Rancho Santa Margarita
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Joseph Muller, Dana Point
Dwight Robinson, Lake Forest
Vicente Sarmiento, Santa Ana
David Shawver, Stanton
Todd Spitzer, County of Orange
Elizabeth Swift, Buena Park

Absent: Rick Barnett, Villa Park
Al Murray, Tustin

Shelley Hasselbrink, Los Alamitos
Phillip Tsunoda, Aliso Viejo

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Zeller
Assistant Chief Mike Schroeder
Clerk of the Authority Sherry Wentz

Assistant Chief Brian Young
General Counsel David Kendig
Human Resources Director Brigette Gibb
Communications Director Sandy Cooney

PRESENTATIONS

1. Requests for Commendations and Proclamations (F: 11.09)

On motion of Director Davies and second by Director Johnson, the Board of Directors voted unanimously by those present to approve the request as submitted and make presentations to those present.

Chair Hernandez and Fire Chief Jeff Bowman recognized and made presentations to outgoing Directors Bob Baker, John Perry, and David Sloan. Director Rick Barnett was recognized, but was not present.

Director Sarmiento arrived at this point (6:06 p.m.).

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 11.12)

Budget and Finance Committee Chair Sachs reported at its November 9, 2016, meeting, the Committee voted unanimously to send the Monthly Investment Reports to the Executive Committee to receive and file the reports, and voted unanimously to send the Annual Statement of Investment Policy and Investment Authorization; 2016 Long Term Liability Study & Expedited Pension Payment Plan; Audited Financial Reports for the Fiscal Year Ended June 30, 2016; and the Community Risk Reduction Fee Development to the Board of Directors for approval.

REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR (F: 11.12)

Chair Hernandez reported the Claims Settlement Committee considered Workers' Compensation Claims for claimants Gregory Peterson and Kathleen Highland; there were no reportable actions.

REPORT FROM THE FIRE CHIEF (F: 11.14)

Fire Chief Jeff Bowman's report included the following: Assistant Brian Young introduced newly appointed Human Resources Director Brigette Gibb; Clerk of the Authority Sherry Wentz provided an election update and impact on the OCFA's Board of Directors; Assistant Chief Mike Schroeder reviewed recent emergency medical call processing times; and Communications Director Sandy Cooney reported on the installation of over 1,166 free smoke alarms, an OCFA record, in the city of Santa Ana. Fire Chief Bowman reported that he had completed the Board's directive to have him review the video recording of the October 27, 2016, Board meeting, as he could not be in attendance at the meeting.

PUBLIC COMMENTS (F: 11.11)

Stephen Wontrobski, Mission Viejo resident, addressed five-year procurements, pension liability, and union contracts.

2. MINUTES

A. Minutes from the October 27, 2016, Regular Board of Directors Meeting (F: 11.06)

On motion of Director Johnson and second by Director Robinson, the Board of Directors voted unanimously by those present to approve the October 27, 2016, Board of Directors meeting Minutes as submitted. Directors Muller and Ta were recorded as abstentions due to their absence from the meeting.

3. CONSENT CALENDAR (Agenda Item No. 3A was pulled from the Consent Calendar by a member of the public.)

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

Stephen Wontrobski, Mission Viejo resident, pulled this item from the Consent Calendar to note his objections to Section 8 of the Policy and use of Wells Fargo and UBS as investment advisors.

Director Lalloway recused himself as he is an employee of the County of Orange.

Discussion ensued.

On motion of Director Bartlett and second by Director Spitzer, the Board of Directors voted unanimously by those present to:

1. Direct staff to provide a due diligence review the Orange County Investment pool and provide comments upon its review to the Budget and Finance Committee, and the Board of Directors.
2. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2017.
3. 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, 2017.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

5. DISCUSSION CALENDAR

A. Approval of Memorandum of Understanding Orange County Fire Authority Managers' Association (F: 17.04F)

Assistant Chief Lori Zeller presented the report.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

On motion of Vice Chair Swift and second by Director Sloan, the Board of Directors voted unanimously by those present to approve the inaugural Memorandum of Understanding between the Orange County Fire Authority and the Orange County Fire Authority Managers' Association for the term of June 25, 2015, to June 24, 2018, and approve the associated amendments to the Personnel & Salary Resolution.

B. 2016 Long Term Liability Study & Expedited Pension Payment Plan (F: 17.06A)

Assistant Chief Lori Zeller presented the report of the 2016 Long Term Liability Study & Expedited Pension Payment Plan and introduced Tricia Jakubiak who provided a PowerPoint presentation of the OCFA's 2016 Long Term Liability Study.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

Discussion ensued.

On motion of Director Sachs and second by Director Robinson, the Board of Directors voted by those present to:

1. Direct staff to continue the Expedited Pension Payment Plan as indicated in the Updated Snowball Strategy, with a modification to alter the funding target from 100% to 85%, and redirect expedited payment dollars to Retiree Medical after achieving the 85% target.
2. Direct staff to return to the Board of Directors in January with the mid-year financial review, to consider allocation of the \$9.8 million of available unencumbered funds identified in the FY 2015/16 financial audit to OCFA's unfunded pension liability.
3. Direct staff to continue seeking cost-saving options related to Workers' Compensation.
4. Direct staff to obtain an actuarial calculation (for the 2017 Long Term Liability Study) of interest savings achieved by expediting payment of OCFA's pension liability.

Directors Davies, Gamble, Lalloway, Robinson, Sloan, and Spitzer voted in opposition.

C. Audited Financial Reports for the Fiscal Year Ended June 30, 2016 (F: 15.06)

Assistant Chief Lori Zeller presented the Audited Financial Reports for the Fiscal Year Ended June 30, 2016.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

On motion of Director Hatch and second by Director Johnson, the Board of Directors voted unanimously to:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation, and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

D. Approve Contingency Budget for Audio Video Systems Upgrade Project (F: 19.07B11)

Assistant Chief Mike Schroeder presented the revised Contingency Budget for Audio Video Systems Upgrade Project.

On motion of Director Spitzer and second by Director Johnson, the Board of Directors voted unanimously by those present to support the recommended action, as amended, to:

1. Approve and authorize the Purchasing Manager to add a 10% contingency to the Western Audio Visual Purchase Order in the amount of \$51,229 under the condition that these additional funds may only be utilized in the event of an emergent situation that must be addressed immediately and cannot wait for approval by the Board of Directors.
2. Approve and authorize the Fire Chief to execute a contract amendment to amend Section 2 of the Construction Contract.

E. Request by Director Barnett: Pension Termination Liability Estimate, Pension Liability Data Extract, Pension Reform Committee, & Pre-Retirement Workers' Compensation Data (F: 11.17A)

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

Chair Hernandez provided an oral status report on the Pension Reform Ad Hoc Committee's first meeting.

On motion of Director Hatch and second by Director Davies, the Board of Directors voted unanimously by those present to:

1. Reaffirm Board's prior September 22, 2016, direction to forward the topic to the Pension Reform Ad Hoc Committee for its review.
2. Receive oral status report from the Pension Reform Ad Hoc Committee Chair.

BOARD MEMBER COMMENTS (F: 11:13)

Director Sloan thanked his fellow Board Members and OCFA staff for their service while on the Board of Directors.

Director Hatch complimented OCFA staff on the quality of the staff reports and in particular the annual report.

Director Shawver reported the residents of the city of Stanton defeated Measure QQ in the November election, which would have repealed a voter enacted funding for 9-1-1 public safety and essential services protection, thanked all departing Board Members (Directors Bob Baker, John Perry, Dave Sloan, and Rick Barnett), and wished everyone a Happy Thanksgiving.

Director Spitzer thanked all departing Board Members for their service, requested a review of travel expenses by the contract labor negotiator, noted some concern on recent incident responses of air operations service by both the OCFA and the OC Sheriff's Department, and requested a briefing memo by staff on this subject.

Director Sachs thanked departing Board Members noting he enjoyed working with them, and thanked Assistant Chief Lori Zeller and finance staff for providing a thorough response to his questions relative to the Budget and Finance Committee.

Vice Chair Swift thanked Fire Chief Jeff Bowman, Assistant Chief Brian Young, Division 7 Administrative Captain Alan Wilkes, and Directors Johnson and Shawver for attending Buena Park's Mayor's Prayer Breakfast.

Director Gamble wished a farewell to the departing Board Members and suggested implementing an annual performance review for General Counsel as do many other agencies.

Director Bartlett thanked all outgoing Board Members, noted on November 29 she would deliver a State of the County address, and announced an upcoming Board of Supervisors Open House.

Director Johnson thanked the outgoing Directors for their service, and thanked OCFA staff who attended the city of Cypress' recent Prayer Breakfast.

Director Perry commented to the professionalism of staff and thanked everyone who serves on the Board.

Director Green wished everyone a Happy Thanksgiving, Merry Christmas, and Happy New Year, and noted he and his wife will be serving meals to the military in Placentia.

Director Muller thanked departing Board Members for their service.

Director Sedgwick thanked the departing Directors for their contribution to the Board, thanked Fire Chief Bowman and expressed appreciation for the Chief's follow-up memo to the October Board meeting, and thanked the firefighters for their service noting he is looking forward to an upcoming ride-along.

Director Baker thanked Chair Hernandez, Vice Chair Swift, past Chair Murray, and Fire Chief Bowman for their leadership, and all OCFA employees for their service.

Chair Hernandez noted those Directors leaving will be missed, his appreciation for the Board and for the firefighters, and shared that he'll be working with the Rotary Club for the Rose Parade.

CLOSED SESSION (F: 11.15)

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Lori Zeller, Assistant Chief

Employee Organizations: Orange County Fire Authority Managers Association

Authority: Government Code Section 54957.6

Chair Hernandez asked General Counsel if it was necessary to adjourn to Closed Session.

General Counsel David Kendig reported there was no need for Closed Session with the Approval of Memorandum of Understanding Orange County Fire Authority Managers' Association, Discussion Agenda Item No. 5A.

CLOSED SESSION REPORT (F: 11.15)

As Closed Session did not convene, there is no report.

ADJOURNMENT – Chair Hernandez adjourned the meeting at 8:23 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, January 26, 2017, at 6:00 p.m.



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