

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Regular Meeting

Wednesday, November 13, 2019

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 November 13, 2019, at 12:01 p.m. by Vice Chair Sedgwick.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Don Sedgwick, Laguna Hills
Joseph Muller, Dana Point
Tri Ta, Westminster
Gene Hernandez, Yorba Linda
Ed Sachs, Mission Viejo

Absent: Sergio Farias, San Juan Capistrano
Shelley Hasselbrink, Los Alamitos

Also present were:

Deputy Chief Lori Zeller	Fire Chief Brian Fennessy
Assistant Chief Robert Cortez	Assistant Chief Lori Smith
Assistant Chief Jim Ruane	Assistant Chief Mark Sanchez
Assistant Chief Randy Black	Assistant Chief Nina Collins
Communications Director Colleen Windsor	Clerk of the Authority Sherry Wentz

PUBLIC COMMENTS (F: 12.02B3)

Vice Chair Sedgwick opened the Public Comments portion of the meeting. Vice Chair Sedgwick closed the Public Comments portion of the meeting without any comments from the general public.

1. PRESENTATIONS

No items.

2. MINUTES

A. Minutes for the October 9, 2019, Budget and Finance Committee Regular Meeting (F: 12.02B2)

On motion of Director Hernandez and second by Director Ta, the Budget and Finance Committee voted to approve the Minutes of the October 9, 2019, regular meeting as submitted. Director Sachs was recorded as an abstention, due to his absence from the October 9, 2019, meeting.

3. CONSENT CALENDAR (Agenda Item No. 3B was pulled for separate consideration)

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

On motion of Director Ta and second by Director Hernandez, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2019, with Budget and Finance Committee's recommendations 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, 2020.
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, 2020.

B. First Quarter Financial Newsletter (F: 15.07)

Assistant Chief Robert Cortez pulled this item from the Consent Calendar to highlight the Financial Newsletter's new single-page format.

On motion of Director Hernandez and second by Director Sachs, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on the Executive Committee meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

C. Acceptance of Funds from the 2018 Homeland Security Grant Program for an Administrative Fire Captain Assigned to the Orange County Intelligence Assessment Center (F: 16.02A1)

On motion of Director Ta and second by Director Hernandez, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on the Board of Directors meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Approve and authorize the Fire Chief to execute any necessary agreement(s) to accept and administer the FY 2018 Homeland Security Grant Program.
2. Approve a budget adjustment to the FY 2019/20 General Fund (121) budget to increase revenues and expenditures by \$180,000.

4. DISCUSSION CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

Treasurer Tricia Jakubiak provided an overview of the Monthly Investment Reports.

On motion of Director Ta and second by Director Hernandez, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on agenda for the Executive Committee meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Audited Financial Reports for the Fiscal Year Ended June 30, 2019 (F: 15.06)

Assistant Chief Robert Cortez provided an overview of the Audited Financial Reports for the Fiscal Year Ended June 30, 2019.

On motion of Director Hernandez and second by Director Sachs, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors:

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.

C. 2019 Long Term Liability Study & Accelerated Pension Payment Plan (F: 17.06A)

Assistant Chief Robert Cortez provided an overview and introduced Treasurer Tricia Jakubiak who presented a PowerPoint presentation on the Long Term Liability Study 2019.

The Committee had a brief discussion on the allocation of the \$5 million unencumbered funds.

On motion of Director Sachs and second by Director Muller, the Budget and Finance Committee approved an additional option (Option 1) to the staff reports recommended actions and directed staff to place the item on the agenda for the Board of Directors meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Direct staff to continue the Accelerated Pension Payment Plan as indicated in the Updated Snowball Strategy.
2. Direct staff to implement one of the following options.
 - a. **Option 1** (Substitute Recommendation by Budget and Finance Committee):
 - i. Direct staff to adjust the FY 2019/20 General Fund budget to increase expenditures by \$4,030,172, or 80% of the unencumbered fund balance identified in the FY 2018/19 financial audit, for the purpose of making a payment towards OCFA's unfunded pension liability; and,
 - ii. Direct staff to transfer the remaining \$1,007,542, or 20% of the unencumbered fund balance identified in the FY 2018/19 financial audit, from the General

Fund (121) to the Capital Improvement Program (CIP) Fund 12110 to fund fire station improvement Projects.

b. **Option 2** (Original Staff Recommendation):

- i. Adjust the FY 2019/20 General Fund budget to increase expenditures by \$5,037,714, the amount identified as the unencumbered fund balance identified in the FY 2018/19 financial audit, for the purpose of making a payment towards OCFA's unfunded pension liability.

Director Hernandez and Vice Chair Sedgwick opposed.

D. Amendment to the Board Rules of Procedure for All Monthly Board Committee Meetings to Go Dark in August

Assistant Chief Robert Cortez provided an overview of the proposed Amendment to the Board Rules of Procedure for all monthly committee meetings to go dark in August.

On motion of Director Muller and second by Director Sachs, the Budget and Finance Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 21, 2019, with the Budget and Finance Committee's recommendation that the Board adopt the proposed Resolution entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AMENDING THE BOARD RULES OF PROCEDURE TO HAVE ALL MONTHLY BOARD COMMITTEE MEETINGS TO GO DARK IN AUGUST.

REPORTS (F: 12.02B6)

No items.


COMMITTEE MEMBER COMMENTS (F: 12.02B4)

Director Sachs commended the Fire Chief for his upstaffing procedures and the positive impact during the recent fires. He thanked Division Chief Capobianco for providing a recent presentation of OCFA's tactical response to a house fire during peak winds, as it provided an educational value for the residences of the City of Mission Viejo.

Director Hernandez commented that the community is impressed with our services.

ADJOURNMENT (F: 11.18)

Vice Chair Sedgwick adjourned the meeting at 12:44 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, January 8, 2020, at 12:00 noon.



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