

# MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting  
Thursday, May 28, 2020  
6:00 P.M.**

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

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## CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on May 28, 2020, at 6:37 p.m. by Chair Hasselbrink.

## INVOCATION

Chaplain Devon Chase offered the invocation.

## PLEDGE OF ALLEGIANCE

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

## ROLL CALL

Chair, Shelley Hasselbrink, Los Alamitos	Vice Chair, Vince Rossini, Villa Park*
Lisa Bartlett, County of Orange*	Letitia Clark, Tustin*
Sergio Farias, San Juan Capistrano*	Carol Gamble, Rancho Santa Margarita
Dave Harrington, Aliso Viejo*	Ed Sachs, Mission Viejo*
Gene Hernandez, Yorba Linda*	Robert Johnson, Cypress*
Anthony Kuo, Irvine	Kathleen Ward, San Clemente*
Thomas Moore, Seal Beach*	Joseph Muller, Dana Point
John R. O'Neill, Garden Grove*	Sandy Rains, Laguna Niguel*
Don Sedgwick, Laguna Hills*	Dave Shawver, Stanton*
Michele Steggell, La Palma*	Elizabeth Swift, Buena Park*
Tri Ta, Westminster*	Mark Tettermer, Lake Forest
Juan Villegas, Santa Ana	Donald P. Wagner, County of Orange*
Noel Hatch, Laguna Woods**	

**Absent:** None

## Also present were:

Fire Chief Brian Fennessy

Deputy Chief Pokey Sanchez

*\* Board of Director Members participating via Teleconferencing*

*\*\* Director Hatch stated for the record at the June 25, 2020 that due to a technical problem his voice and votes were not captured, but was present for the duration of the meeting. His vote on any item does not change the final outcome, however he felt it was important for the record to reflect his vote on the items as follow: Approved Consent Calendar Items 2A-2E; Approved Discussion Item 3A (Appointment of Clerk of the Authority); Approved Discussion Item 3B (Adoption of a Resolution authorizing payment of non-base building merit increase delineated in the Fire Chief Employment Contract); and Approved Public Hearing Item 4A motion to approve Option C to adopt Fiscal Year 2020-21 Proposed Budget.*

Deputy Chief Lori Zeller  
Assistant Chief Robert Cortez  
Assistant Chief Jim Ruane  
Communications Director Colleen Windsor  
Clerk of the Authority Maria Huizar

Assistant Chief Randy Black  
Assistant Chief Kenny Dossey  
General Counsel David Kendig

## 1. PRESENTATIONS

No items.

## PUBLIC COMMENTS (FILE: 11.11)

Craig Green, Placentia City Council Member, provided a letter on behalf of the City of Placentia regarding the impacts to the County Island and the City of Yorba Linda without Automatic Aid Agreement.

## REPORTS

- **REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (FILE: 11.12)**  
Budget and Finance Committee Chair Gene Hernandez reported at the May 13, 2020, regular meeting, the Committee voted unanimously to receive and file the Harris & Associates Final Property Tax Revenue Projections, and forward the Third Quarter Financial Newsletter and the Monthly Investment Reports to the Executive Committee for its approval. The Committee was also presented the Review of the Fiscal Year 2020/21 Proposed Budget. After lengthy discussion, the Committee directed staff to place the item on the agenda for the Board of Directors meeting of May 28, 2020, with the Budget and Finance Committee's recommendation that staff research the following and report back to the Budget and Finance Committee at its June meeting: (1) Suspend the snowball pension pay down plan until further notice. (2) Review the ability to suspend the 4.5% increase to cash contract city charges, and, (3) Take a look at the proposed budget with these effects in mind and present to the Board or the Budget and Finance Committee what the budget would look like under those conditions. In addition, the Committee indicated that staff may provide a less formal budget presentation to the Board of Directors at its May 28 meeting, while informing the Board of staff's pending research and of staff's expected return to the Budget and Finance Committee in June prior to the Board adopting the budget.
- **REPORT FROM THE FIRE CHIEF (FILE: 11.14)**  
Fire Chief Fennessy reported Fire Academy No. 50's Graduation was held last week, 37 recruits graduated, unusual graduation because of COVID-19 and social distancing. Families were not able to be present, however it was broadcasted on Facebook live, with over 14,000 views.

## AGENDA ITEM CONSIDERED OUT OF ORDER - DISCUSSION ITEM

### A. Appointment of the Clerk for the Orange County Fire Authority (FILE 17.10B1)

General Counsel Kendig reported that he had a personal financial Conflict of Interest because he is married to the applicant. He further noted that he had not participated in any discussion on the matter, recused himself and left the Boardroom during the deliberation of said item.

Chair Hasselbrink indicated that Peter Brown of Liebert Cassidy Whitmore was available to answer any questions on the matter.

On motion of Director Swift and second by Director Johnson, and following a roll call vote, declared passed 23-0 (Directors Hatch and Wagner absent) to approve and adopt Resolution No. 2020-03 entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY, ORANGE COUNTY, CALIFORNIA APPOINTING MARIA D. HUIZAR AS THE CLERK FOR THE ORANGE COUNTY FIRE AUTHORITY.

Chair Hasselbrink recessed the Open Session meeting to Closed Session at 6:54 p.m. Director Hatch joined the meeting at 6:54 P.M.

## **CLOSED SESSION**

### **CS1. CONFERENCE WITH LABOR NEGOTIATOR (FILE 11.15)**

Chief Negotiator: Peter Brown, Liebert Cassidy Whitmore  
Employee Organizations: Orange County Professional Firefighters' Association,  
Local 3631 and Chief Officers Association  
Authority: Government Code Section 54957.6

### **CS2. CONFERENCE WITH LABOR NEGOTIATOR (FILE 11.15)**

Chief Negotiators: Board Chair Hasselbrink, Vice Chair Rossini, and Immediate Past  
Board Chair Muller  
Position: Fire Chief  
Authority: Government Code Section 54957.6

### **CS3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (FILE 11.15)**

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9

Chair Hasselbrink reconvened the meeting from Closed Session at 8:41 p.m. with Director Hatch absent and remainder of members present.

## **CLOSED SESSION REPORT (FILE: 11.15)**

General Counsel David Kendig reported that the Board of Directors provided its negotiators direction; there were no other reportable actions.

## 2. CONSENT CALENDAR

On motion of Director Hernandez and second by Director Johnson, and following a roll call vote, declared passed 21-0 (Directors Rains, Hatch, Sachs, Ward and Wagner absent) to approve Items 2A thru 2E as submitted.

**A. Minutes from the April 23, 2020, Regular Meeting of the Board of Directors (FILE 11.06)**

Action: Approve as submitted.

**B. State Standard Agreement for Fire Protection Services of State Responsibility Areas (FILE 21.13A)**

Action: Approve and authorize the Board Chair to sign the Assignment of a three-year Cooperative Fire Protection Agreement between the State of California Department of Forestry and Fire Protection and the County of Orange to OCFA.

**C. Compensation Agreement for Disposition of San Juan Capistrano Former Redevelopment Agency Property (FILE 10.03)**

Action: Approve and authorize the Board Chair to sign the final Master Agreement for Taxing Entity Compensation between the Orange County Fire Authority and the City of San Juan Capistrano in a form substantially in conformance with the attached.

**D. Third Amendment to the Advanced Life Support Billing/Reimbursement Agreements (FILE 18.05A4)**

Action: Approve and authorize the Board Chair to sign the third amendment to the Advanced Life Support Billing Agreement to extend the term for an additional five years.

**E. Annexation Property Tax Pass-Through Agreement with the City of Santa Ana (FILE 15.10A)**

Action: Approve and execute the submitted Annexation Property Tax Pass-Through Agreement with the City of Santa Ana, effective November 13, 2019.

Director Sachs left the meeting at 8:01 p.m. and did not return.

### 3. DISCUSSION CALENDAR

#### A. Agenda Item Considered Out of Order

#### B. Resolution Authorizing Payment of the Non-Base Building Merit Increase Delineated in the Fire Chief's May 23, 2019, Employment Agreement (FILE 17.10A)

Chief Fennessy reported that he had a personal financial Conflict of Interest recused himself and left the boardroom during the deliberation of said item.

On motion of Director Muller and second by Director Ku, and following a roll call vote, declared passed 23-0 (Directors Hatch and Sachs absent) to approve Resolution No. 2020-05 entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AUTHORIZING PAYMENT OF THE NON-BASE BUILDING MERIT INCREASE AS PROVIDED IN THE FIRE CHIEF'S MAY 23, 2019, EMPLOYMENT AGREEMENT.

### 4. PUBLIC HEARING(S)

#### A. Review and Adoption of the Fiscal Year 2020/21 Proposed Budget (FILE 15.04)

Based on the motion by the Budget and Finance Committee at its May 13, 2020, meeting, the nature of the motion requiring an amendment to the Joint Powers Authority (JPA) Agreement and given the short timeline to adopt the budget, staff respectfully provides the following three options for consideration by the Board. Staff recommends Option B.

##### **Option A – Budget and Finance Committee's Recommendation**

As motioned by the Budget and Finance Committee, direct staff to provide additional budget and JPA analysis to the Budget and Finance Committee at its June 10, 2020, meeting, to seek further input and recommendations that may be considered by the Board in conjunction with the adoption of the proposed FY 2020/21 Budget at its June 25, 2020, meeting.

##### **Option B – Staff's Original Recommendation**

Review the proposed FY 2020/21 Budget agenda item, take the following actions 1 through 8 listed below, and direct staff to continue to work with the Budget and Finance Committee to explore recommendations that may be implemented during the course of the fiscal year. *This option would allow the Board to continue to fulfill the requirements of the JPA as currently adopted and provide additional time to vet recommendations thoroughly.*

1. Conduct a Public Hearing.
2. Adopt the proposed FY 2020/21 Budget as submitted.

3. Adopt Resolution No. 2020-04 entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS ADOPTING AND APPROVING THE APPROPRIATIONS BUDGET FOR THE ORANGE COUNTY FIRE AUTHORITY FOR FISCAL YEAR 2020/21.
4. Approve and authorize the temporary transfer of up to \$85 million from the following funds to cover a projected temporary cash flow shortfall for FY 2020/21:
  - a. Fund 123 Fire Stations and Facilities - \$5 million.
  - b. Fund 133 Fire Apparatus - \$10 million.
  - c. Fund 190 Workers' Compensation Reserve Fund - \$70 million.
5. Approve and authorize the repayment of \$85 million borrowed funds from Fund 121 to the above funds along with interest when General Fund revenues become available in FY 2020/21.
6. Approve an update to the Financial Stability Budget Policy included as Attachment 4 that clarifies how the 10% contingency reserve will be calculated.
7. Approve changes to the Master Position Control list to add a limited term Construction Manager.
8. Approve transfers from the General Fund 121 to CIP Funds and Settlement Agreement Fund totaling \$22,788,603.

**Option C – Hybrid of Budget and Finance Committee's & Staff's Recommendations:** Review the proposed FY 2020/21 Budget agenda item, take actions 1 through 8 listed above in Option B, direct staff to delay the timing for when OCFA remits the FY 2020/21 Snowball pension paydown plan payment to OCERS until further direction is provided by the Board, and remove the Snowball pension paydown payment from the cash contract city charge calculation in order to provide relief from future on-going increases. *This option would allow the Board to continue to fulfill the requirements of the JPA as currently adopted, commit to a review of the Snowball pension paydown plan, and set in motion relief for cash contract cities that would be reflected going forward starting with FY 2021/22.*

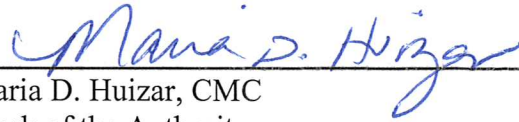
Lengthy discussion ensued. Two motions considered and failed.

On motion of Director Shawver and second by Director Villegas, and following a roll call vote, declared passed 15-7 (Directors Muller, Kuo, Rains, Tettemer, Gamble, Bartlett, and Hasselbrink dissented; and Directors Hatch and Sachs absent) to approve Option C – Hybrid of Budget and Finance Committee's & Staff's Recommendations: Review the proposed FY 2020/21 Budget agenda item, take actions 1 through 8 listed above in Option B, direct staff to delay the timing for when OCFA remits the FY 2020/21 Snowball pension paydown plan payment to OCERS until further direction is provided by the Board, and remove the Snowball pension paydown payment from the cash contract city charge calculation in order to provide relief from future on-going increases. *This option would allow the Board to continue to fulfill the requirements of the JPA as currently adopted, commit to a review of the Snowball pension paydown plan, and set in motion relief for cash contract cities that would be reflected going forward starting with FY 2021/22.*

**BOARD MEMBER COMMENTS (FILE: 11.13)**

The Board Members offered no comments.

**ADJOURNMENT** – Chair Hasselbrink adjourned the meeting at 10:31 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, June 25, 2020, at 6:00 p.m.



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Maria D. Huizar, CMC  
Clerk of the Authority