



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 26, 2020

6:00 P.M.

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, CA 92602

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Board of Directors after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact the Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040.

COVID-19 Accommodations: OCFA FACILITIES ARE CURRENTLY CLOSED TO THE PUBLIC. In compliance with the Executive Department/State of California Executive Order N-29-20, this meeting will be available telephonically or otherwise electronically to satisfy any requirement that the body allow members of the public to attend the meeting and offer public comment. Please visit www.OCFA.org for more information on the Board meeting's participation process.

CALL TO ORDER

INVOCATION by OCFA Chaplain Emily McColl

PLEDGE OF ALLEGIANCE by Chair Hasselbrink

ROLL CALL

1. PRESENTATIONS

No items.

PUBLIC COMMENTS

Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Board on items within the Board's subject matter jurisdiction, but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Board and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

The Agenda and Minutes are now available through the Internet at www.ocfa.org. You can access upcoming agendas on the Monday before the meeting. The minutes are the official record of the meeting and are scheduled for approval at the next regular Board of Directors meeting.

COVID-19 Accommodations: Public Comments will be accepted via email at March26PublicComments@ocfa.org. Comments may be submitted in reference to a specific item on the agenda or on items within the Board's subject matter jurisdiction, but which are not listed on the agenda. All written comments will be distributed in writing via email to the Board Members. Only those that are designed "TO BE READ ALOUD" in the subject line will be read aloud, and then will be read aloud for up to three minutes each, then reading will stop, and the balance will be distributed via email to the Board Members. The time allotted to reading of comments aloud may be reduced by the Board Chair depending on the volume of comments received.

REPORTS

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

REPORT FROM THE FIRE CHIEF

- Girls Empowerment Camp
- Introduction of new Division Chief
- Purchasing Manager Retirement
- COVID-19 Update

2. CONSENT CALENDAR

A. Minutes from the February 27, 2020, Regular Meeting of the Board of Directors Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted. (The Clerk will record abstentions for those Directors who were not in attendance at this meeting.)

B. Wildfire Awareness and Prevention Proclamation

Submitted by: Colleen Windsor, Director of Communications

Recommended Action:

Approve as submitted.

C. FY 2019/20 Mid-Year Budget Adjustment

Submitted by: Robert Cortez, Assistant Chief/Business Services Department

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Action:

Authorize the proposed mid-year budget adjustments and transfers.

D. Fiscal Year 2018/19 Backfill/Overtime and Calendar Year 2019 Total Earnings/Compensation Analysis

Submitted by: Robert Cortez, Assistant Chief/Business Services Department

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Actions:

1. Direct staff to continue pursuing reductions in overtime by filling permanent vacancies as quickly as possible after the positions become vacant.
2. Authorize staff to temporarily exceed the number of authorized firefighter positions on the Master Position Control to maximize the number of firefighters hired into each academy, pending attrition/promotions that occur during and following academy graduations.
3. Authorize staff to temporarily exceed the number of authorized Handcrew firefighter positions on the Master Position Control to maximize the number of Handcrew firefighters hired from each Handcrew firefighter recruitment process, pending attrition/promotions that occur as Handcrew firefighters promote to the firefighter rank.
4. Direct staff to continue using overtime to fill temporary vacancies rather than hiring additional personnel recognizing this as a cost-effective practice for temporary needs.

E. Quarterly Status Report Placentia Fire and Emergency Medical Services

Submitted by: Brian Fennessy, Fire Chief

Recommended Action:

Receive and file the report.

END OF CONSENT CALENDAR

3. PUBLIC HEARING(S)

No items.

4. DISCUSSION CALENDAR

No items.

BOARD MEMBER COMMENTS

CLOSED SESSION

CS1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: Fire Chief

Authority: Government Code Section 54954.5

CS2. CONFERENCE WITH LABOR NEGOTIATOR

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 LABOR NEGOTIATOR

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

CS4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

CS5. THREAT TO PUBLIC SERVICES OR FACILITIES

Authority: Government Code Section 54957(a)

Consultation with Fire Chief Brian Fennessy, General Counsel David Kendig, and
Assistant Chief Randy Black

CLOSED SESSION REPORT

ADJOURNMENT – The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, April 23, 2020, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 19th day of March 2020.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting

Wednesday, April 8, 2020, 12 noon

Executive Committee Meeting

Thursday, April 23, 2020, 5:30 p.m.

Board of Directors Meeting

Thursday, April 23, 2020, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, February 27, 2020
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 February 27, 2020, at 6:00 p.m. by Chair Hasselbrink.

INVOCATION

Senior Chaplain Dave Keehn offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

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

Absent: Lisa Bartlett, County of Orange
Sandy Rains, Laguna Niguel
Tri Ta, Westminster

Gene Hernandez, Yorba Linda
Don Sedgwick, Laguna Hills

Also present were:

Fire Chief Brian Fennessy	Deputy Chief Pokey Sanchez
Assistant Chief Randy Black	Deputy Chief Lori Zeller
Assistant Chief Robert Cortez	Assistant Chief Kenny Dossey
General Counsel David Kendig	Assistant Chief Lori Smith
Assistant Chief Nina Collins	Communications Director Colleen Windsor
Clerk of the Authority Sherry Wentz	

1. PRESENTATIONS

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

Chair Hasselbrink announced that both former Directors Melissa Fox and Neeki Moatazedi were unable to attend, and their presentations will be rescheduled to a future meeting.

Director Harrington arrived at this point (6:01 p.m.).

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

Fire Chief Brian Fennessy and Chair Shelley Hasselbrink recognized and presented a plaque to former Chair Joe Muller, thanking him for his service as Board Chair.

Director Farias arrived at this point (6:04 p.m.).

PUBLIC COMMENTS (F: 11.11)

Doctor Claus Hecht, OCFA Emergency Medical Services Director, provided an update on the Coronavirus 19 virus, and OCFA's tactical service protocols.

REPORTS

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 11.12)

Human Resources Committee Chair Rossini reported at the February 4, 2020, meeting, the Committee received oral presentation updates on the Behavioral Health Program and Cancer Awareness Prevention Program. Additionally, the Committee received and filed updates on the Recruitment & Selection Unit, and the Annual Workers' Compensation Program. Lastly, the Committee held elections for the Chair and Vice Chair positions, electing unanimously Michelle Steggell as Vice Chair and himself as Chair for the ensuing term.

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

Budget and Finance Committee Vice Chair Swift reported at the February 11, 2020, special meeting, the Committee voted unanimously to send the Second Quarter Financial Newsletter and Monthly Investment Reports to the Executive Committee for its approval; and voted unanimously to send the Options to Mitigate Escalating Charges to Cash Contract Cities Beginning FY 2020/21, to the Board of Directors for approval of modified recommended actions. Staff is now gathering additional input to thoroughly vet the options, and to vet details associated with the Budget & Finance Committee's modified recommended options. Upon completion, the item will be brought through the Budget & Finance Committee again, prior to forwarding the agenda item to the Board of Directors for consideration at a future date. Lastly, the Committee held elections for the Chair and Vice Chair positions, electing unanimously Gene Hernandez as Chair and herself as Vice Chair for the ensuing term.

REPORT FROM THE FIRE CHIEF (F: 11.14)

Fire Chief Fennessy reported on the success of the Best and Bravest event, highlighting and congratulating all of the honorees; introduced newly promoted Division Chief Baryic Hunter, who addressed the Board; and reminded everyone of the upcoming Girls Empowerment Camp in March.

Fire Chief Fennessy and Chair Hasselbrink recognized outgoing Clerk of the Authority Sherry Wentz for her achievements over the course of her tenure and introduced the City Clerk Association's District 10 representative Molly Perry who presented a plaque acknowledging the Clerk Wentz's professional contributions.

2. MINUTES

A. Minutes from the January 23, 2020, Regular Meeting of the Board of Directors (F: 11.06)

On motion of Director Johnson and second by Director Harrington, the Board of Directors voted by those present to approve the January 23, 2020, minutes as submitted. Directors Sachs, Shawver, and Ward were recorded as abstentions, due to their absence from the January 23, 2020, meeting.

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

A. Ratify Appointments to Executive Committee (F: 12.02A1)

Chair Hasselbrink pulled this item from the Consent Calendar to recommended adding Director Mark Tetterer (Lake Forest). She noted there was one remaining Executive Committee Structural Fire Fund Alternate and solicited interest from the Board. Director Anthony Kuo (Irvine) volunteered his services.

On motion of Director Tetterer and second by Director Johnson, the Board of Directors voted by those present to ratify the appointments of Directors Ed Sachs (Mission Viejo) and Elizabeth Swift (Buena Park) as At-Large Members; Director Donald P. Wagner (County of Orange) as the Board of Supervisor's At-Large Member, with Director Lisa Bartlett (County of Orange) as its Alternate; Director Tri Ta (Westminster) as a Cash Contract Alternate to the Executive Committee; and Directors Mark Tetterer (Lake Forest) and Anthony Kuo (Irvine) as Structural Fire Fund Alternates.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

5. DISCUSSION CALENDAR

No items.

BOARD MEMBER COMMENTS (F: 11.13)

Director Clark expressed thanks to the firefighters who assisted with the recent apartment fire in Tustin.

Director Muller thanked the Board Members and staff for their assistance during his tenure.

Vice Chair Rossini offered regrets that Division Chief Phil Johnson will no longer be serving the City of Villa Park.

Director Kuo thanked OCFA for the gallant firefight on the Working Wardrobe Headquarters in Irvine and thanked the handcrews who participated in a demonstration in fuel modification with goats prior to Irvine's State of the City event.

Chair Hasselbrink reported attending the Best and Bravest event.

CLOSED SESSION

CS1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

CS2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: General Counsel

Authority: Government Code Section 54954.5

General Counsel David Kendig reported the Board of Directors would convene to Closed Session to consider the matter on the agenda identified as CS1, Conference with Legal Counsel – Anticipated Litigation, and CS2, Public Employee Performance Evaluation.

Chair Hasselbrink recessed the meeting to Closed Session at 6:35 p.m.

Chair Hasselbrink reconvened the meeting from Closed Session at 6:46 p.m.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig stated there were no reportable actions.

ADJOURNMENT – Chair Hasselbrink adjourned the meeting in memory of Porterville Fire Captain Raymond Figueroa and Firefighter Patrick Jones who perished in the recent Porterville Public Library Fire. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, March 26, 2020, at 6:00 p.m.

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

WILDFIRE AWARENESS AND PREVENTION PROCLAMATION

WHEREAS, in the last four years, California has experienced 8 of the most destructive wildfires and 5 of the deadliest wildfires in the state’s history. In 2019, wildfires burned more than 259,823 acres, destroyed over 732 structures and tragically claimed 3 lives; and

WHEREAS, climate change has created a new wildfire reality in California. Persistent drought, warmer temperatures and more severe winds have created conditions that will lead to more frequent and catastrophic fires. To meet this challenge, California must adopt an all-of-the-above approach to protecting public safety and maintaining the health of our forests; and

WHEREAS, eleven million people – approximately a quarter of the state’s population – live in high fire risk areas, including the Wildland-Urban Interface. Public education and up-to-date regional emergency planning will be key to making our communities more resilient to the impacts of wildfire and other extreme weather events. Orange County residents can learn about Ready, Set, Go! to prepare for wildfire season and help prevent loss of life and property at www.OCFA.org/RSG; and

WHEREAS, we must also recognize that a robust wildfire response by firefighters alone cannot protect us, and every citizen has a key role in preventing destructive wildfires from occurring.

NOW, THEREFORE BE IT RESOLVED, that the Orange County Fire Authority Board of Directors does hereby proclaim the height of wildfire season beginning in mid-summer and running through early autumn as “Wildfire Awareness and Prevention Season” and encourages everyone to do their part to raise public awareness, take steps to protect our homes and businesses, and to prevent sparking a wildfire. One less spark means one less wildfire.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
March 26, 2020

Agenda Item No. 2C
Consent Calendar

FY 2019/20 Mid-Year Budget Adjustment

Contact(s) for Further Information

Robert Cortez, Assistant Chief
Business Services Department

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Tricia Jakubiak, Treasurer

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714.573.6301

Summary

This item is submitted to request approval to adjust revenues, expenditures and transfers to reflect changes identified after adoption of the FY 2019/20 budget.

Prior Board/Committee Action

Budget and Finance Committee Recommendation: *APPROVE*

A comprehensive mid-year financial review was presented to the Budget and Finance Committee and the Board of Directors in January, highlighting proposed mid-year changes that are needed to the FY 2019/20 budget based on events that have occurred since the budget was adopted last May. The Board directed staff to return in March with the technical budget adjustments required to implement the proposed changes.

At its regular March 11, 2020, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

RECOMMENDED ACTION(S)

Authorize the proposed mid-year budget adjustments and transfers.

Impact to Cities/County

The proposed mid-year adjustments to the FY 2019/20 budget will have no impact to cash contract city charges in the current fiscal year. Future increases for cash contract cities are currently estimated at 4.5% per year for FYs 2020/21 and 2021/22 based on the Five-Year Financial Forecast.

Fiscal Impact

Financial impact is detailed in the report.

Background

This report is submitted to request approval of the technical budget adjustments following the January mid-year financial review. The following is a summary of the significant changes being requested (See Attachment 1 for the total proposed adjustment for each Fund).

The following are estimated changes to the General Fund budget that are needed, since the adoption of the FY 2019/20 budget in May 2019. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$10.7 million and an estimated

total expenditure increase of \$11.4 million. Of the \$11.4 million in expenditure increases, \$5.3 million are cost neutral as they are offset by corresponding sources of revenue. These adjustments are further described below:

FY 2019/20 Potential Revenue Adjustments - \$10.7 million

Property Taxes: Based on secured tax billings provided by the Auditor/Controller, preliminary projections indicate an approximate \$2,265,000 increase over budget.	\$2,265,000
Assistance by Hire (ABH): ABH is the term used when OCFA responds to requests for assistance to incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$4.4 million greater than budget due to various out-of-county responses. Staff will be monitoring this source of revenue for additional reimbursements. An expenditure adjustment is also proposed to the overtime/backfill category to cover the costs associated with providing the ABH services.	\$4,431,475
Grant/Other Reimbursements: This category represents reimbursements for grants or other programs, such as California Fire Fighter Joint Apprenticeship Committee (CFFJAC), where expenditures are reimbursed once incurred.	\$605,040
Miscellaneous: This category of revenue adjustments includes the following: re-categorization of CAL FIRE contract revenues, updates to cash contract city maintenance charges; witness fees, miscellaneous revenue, revenue from SCE, and restitution.	\$3,440,042

FY 2019/20 Potential Expenditure Adjustments - \$10.2 million

Assistance by Hire/Emergency Incident Costs: As mentioned under Revenue for Assistance by Hire, an adjustment of approximately \$4.7 million is needed for out-of-county responses, primarily in the overtime/backfill category, but also for response-related supplies. This category also comprises the expenditures for up-staffing of Strike Teams that occurred during the wind events in the first half of the fiscal year. Of this \$4.7 million expenditure increase for ABH and up staffing of strike teams, the offsetting revenue reimbursement is currently estimated at \$4.4 million. An additional portion of these expenditures may still be determined to be reimbursable, as staff continues the process of reviewing cost details and submitting eligible costs for reimbursement.	\$4,699,835⁽¹⁾
Adjustment for Workers' Compensation Updated Actuarial: The latest Workers' Compensation Actuarial Study was completed end of February and includes payroll and claim data through December 31, 2019. A \$1.7 million adjustment is needed to augment the required funding level for the present value of ultimate limited losses.	\$1,718,921
Supplies/Equipment/Professional Services: This category captures one-time costs which have increased since budget development, or were unknown at budget development, including fuel (\$300,000), incident management team costs (\$150,000), suppression personal protective equipment (\$500,000), phone lines/data circuits (\$272,700), communication installations in vehicles (\$250,000), and Irvine reimbursement using Maruchan funds (\$507,495).	\$2,431,574

CAL FIRE Augmentation Funds: This expenditure category represents the final appropriation of CAL FIRE restricted funds already received from CAL FIRE (the restricted revenue was previously recognized in the budget, but the associated expenditures were not yet included in the budget). The funds are restricted to purposes determined by CAL FIRE to be supportive of the mission related to drought augmentation. **\$762,878**

Expenditures with Revenue Offset: These expenditure items are completely offset by a corresponding revenue adjustment and include CFFJAC, US&R 2018 Grant supplement and CAL FIRE defensible space inspection tablets. **\$605,040⁽¹⁾**

Interfund Borrowing: At the time of budget development, staff was in the process of analyzing if OCFA's cash flow needs could be met with interfund borrowing in lieu of issuing a Tax and Revenue Anticipation Note. When the budget was adopted in May, the analysis had been completed and the Board approved interfund borrowing as our temporary cash flow management mechanism in FY 2019/20. For interfund borrowing, money is borrowed from the Capital Improvement Program (CIP) and Workers' Compensation (W/C) Self-Insurance funds, temporarily loaned to the General Fund, then repaid back with interest once property tax revenues are received. The interest is reflected as a cost to the General Fund. This adjustment funds the interest owed from the General Fund to the CIP and W/C funds associated with the borrowing. **\$600,000**

¹ This expenditure increase is cost neutral, offset by a corresponding revenue source.

General Fund and Capital Improvement Program Funds –and Budget Transfer Adjustments

- **Budgeted beginning fund balances:** As part of the annual mid-year adjustment, budgeted beginning fund balances will be adjusted in accordance with the FY 2018/19 year-end audit. These increases resulted primarily from additional revenue received in the fiscal year, as well as salary savings and S&S savings in the General Fund. The beginning fund balance adjustments for Capital Improvement Program (CIP) Funds largely result from the timing for completion of projects. Funds for projects that did not get completed were carried-over to FY 2019/20.

Following the review of the Workers' Compensation Actuarial Study provided in February 2020, staff will hold off on making the \$5.5 million transfer from Self-Insurance Fund 190 to the General Fund CIP Fund 12110 and the Fire Stations and Facilities Fund 123 in the amount of \$2.75 million each. The purpose of the transfer is to provide funding for modifying existing fire stations to enhance gender accommodations. The possibility of the transfer will be reevaluated as part of year end.

- **Fund 12110 – General Fund CIP:** An adjustment increasing expenditures in the amount of \$377,878 is needed for the following projects: Fire Station (FS) 32 requires new security fencing and a gate, bathroom improvements at FS 14, 16 and 32, and Dormitory Privacy at FS 53.
- **Fund 123 – Fire Stations and Facilities:** An adjustment increasing revenue by \$578,000 is needed to reflect developer contributions.
- **Fund 124 – Communications and Information Systems:** An adjustment to increase revenue by \$40,000 is needed to reflect interest earnings and an adjustment decreasing expenditures in the amount of \$180,000 is needed in the Fund. The OCFA Enterprise Audio Video Improvements Project is being deferred to subsequent fiscal years, while a new Emergency Medical Services (EMS) Immunization Tracking Program is being initiated.

- **Fund 139 – Settlement Agreement:** An adjustment of \$55,000 is needed to increase revenue from interest earnings and an adjustment increasing expenditures in the amount of \$10,000 is needed to accommodate Trustee and Public Agency Retirement Services (PARS) fees for administering the 115 Trust. In addition, \$507,495 of Maruchan Funds are being transferred back to the General Fund.
- **Fund 190 - Self Insurance:** A net revenue adjustment of \$2,492,104 is needed to reflect the workers' compensation payroll adjustment, described above, as well as an adjustment to expected earnings in the fund.

The attached Combined Budget Summary (Attachment 2) represents the total adjusted budget for the OCFA and details the revenue and expenditure budgets in each fund assuming these proposed adjustments are approved.

Attachment(s)

1. FY 2019/20 Mid-Year Budget Adjustments
2. Combined Budget Summary

FY 2019/2020 Mid-Year Budget Adjustments

The following adjustments to the FY 2019/20 budget are requested:

General Fund (Fund 121)

Revenues: \$10,741,557 increase

Expenditures: \$11,392,727 increase

General Fund CIP (Fund 12110)

Expenditures: \$377,878 increase

Fire Stations and Facilities Fund (Fund 123)

Revenues: \$578,000 increase

Communications and Information Systems Fund (Fund 124)

Revenues: \$40,000 increase

Expenditures: \$180,000 decrease

Fire Apparatus Fund (Fund 133)

Revenues: \$98,000 decrease

Irvine Settlement Agreement Fund (Fund 139)

Revenues: \$55,000 increase

Expenditures: \$497,495 decrease

Structural Fire Fund Entitlement Fund (Fund 171)

Revenues: \$4,000 increase

Self-Insurance Fund (Fund 190)

Revenues: \$2,492,104 increase

**ORANGE COUNTY FIRE AUTHORITY
COMBINED BUDGET SUMMARY
FY 2019/20**

	<u>CIP Funds</u>					<u>Other Funds</u>			Total
	121 General Fund	12110 General Fund CIP (1)	123 Fire Stations & Facilities	124 Communications & Info. Systems	133 Fire Apparatus	139 Settlement Agreement	171 SFF Entitlement	190 Self Insurance	
FUNDING SOURCES									
<i>Property Taxes</i>	274,312,362	-	-	-	-	-	-	-	274,312,362
<i>Intergovernmental</i>									
State Reimbursements	21,422,173	-	-	-	-	-	-	-	21,422,173
Federal Reimbursements	4,210,140	-	-	-	-	-	-	-	4,210,140
Community Redevelopment Pass-thru	15,267,155	-	-	-	-	-	-	-	15,267,155
<i>Charges for Current Services</i>									
Cash Contract Cities	126,036,048	-	-	-	1,750,537	-	-	-	127,786,585
HMS Revenue	-	-	-	-	-	-	-	-	-
Fees - Community Risk Reduction	6,111,323	-	-	-	-	-	-	-	6,111,323
Other Charges for Services	145,459	-	-	-	-	-	-	-	145,459
ALS Reimbursements, Supplies	4,547,600	-	-	-	-	-	-	-	4,547,600
Charges for Workers' Comp	-	-	-	-	-	-	-	19,573,946	19,573,946
<i>Use of Money and Property</i>									
Interest	1,256,026	-	375,115	131,948	336,978	412,402	21,945	1,861,251	4,395,665
<i>Other</i>									
Developer contributions	-	-	588,000	-	-	-	-	-	588,000
Miscellaneous	6,361,784	-	-	-	-	-	-	996,183	7,357,967
<i>Other Funding Sources</i>									
Total Revenues & Other Financing Sources	459,670,070	-	963,115	131,948	2,087,515	412,402	21,945	22,431,380	485,718,375
Operating Transfer In	507,495	5,907,542	-	-	8,000,000	24,175,495	-	-	38,590,532
Beginning Fund Balance	72,180,602	3,271,311	25,397,231	7,086,888	8,252,067	-	1,338,580	88,772,530	206,299,209
TOTAL AVAILABLE RESOURCES	\$532,358,167	\$9,178,853	\$26,360,346	\$7,218,836	\$18,339,582	\$24,587,897	\$1,360,525	\$111,203,910	\$730,608,116
EXPENDITURES									
Salaries & Emp Benefits	\$398,125,878	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$398,125,878
Services & Supplies	57,691,176	4,570,884	-	2,172,019	-	2,178,000	1,301,444	11,459,428	79,372,951
Capital Outlay/Equipment	3,838,871	4,330,000	9,511,707	2,291,489	17,698,655	-	-	-	37,670,722
Total Expenditures	\$459,655,925	\$8,900,884	\$9,511,707	\$4,463,508	\$17,698,655	\$2,178,000	\$1,301,444	\$11,459,428	\$515,169,551
Appropriation for Contingencies	3,000,000	-	-	-	-	-	-	-	3,000,000
Operating Transfer Out	30,083,037	-	8,000,000	-	-	507,495	-	-	38,590,532
Ending Fund Balance	\$39,619,205	\$277,969	8,848,639	2,755,328	640,927	21,902,402	59,081	\$99,744,482	173,848,033
TOTAL FUND COMMITMENTS & FUND BALANCE	\$532,358,167	\$9,178,853	\$26,360,346	\$7,218,836	\$18,339,582	\$24,587,897	\$1,360,525	\$111,203,910	\$730,608,116

(1) Project related budgets segregated for operational budget clarity purposes. As a sub-fund of the General Fund, revenues and expenditures are accounted for as the General Fund in the CAFR, however for cash-flow purposes the expenditures are tracked outside of the General Fund. Therefore 12110 requires cash-flow transfers in the same manner as the other CIP Funds.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget of Directors Meeting
March 26, 2020

Agenda Item No. 2D
Consent Calendar

Fiscal Year 2018/19 Backfill/Overtime and Calendar Year 2019 Total
Earnings/Compensation Analysis

Contact(s) for Further Information

Robert Cortez, Assistant Chief robertcortez@ocfa.org 714.573.6012
Business Services Department

Julie Nemes, Finance Manager/Auditor julienemes@ocfa.org 714.573.6304

Summary

This annual agenda item is submitted to provide an overview and analysis of the Fiscal Year 2018/19 backfill and overtime earnings along with employee total compensation for Calendar Year 2019, and to reaffirm current direction regarding filling permanent and temporary vacancies.

Prior Board/Committee Action

Budget and Finance Committee Recommendation: *APPROVE*

At its regular March 11, 2020, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

RECOMMENDED ACTION(S)

1. Direct staff to continue pursuing reductions in overtime by filling permanent vacancies as quickly as possible after the positions become vacant.
2. Authorize staff to temporarily exceed the number of authorized firefighter positions on the Master Position Control to maximize the number of firefighters hired into each academy, pending attrition/promotions that occur during and following academy graduations.
3. Authorize staff to temporarily exceed the number of authorized Handcrew firefighter positions on the Master Position Control to maximize the number of Handcrew firefighters hired from each Handcrew firefighter recruitment process, pending attrition/promotions that occur as Handcrew firefighters promote to the firefighter rank.
4. Direct staff to continue using overtime to fill temporary vacancies rather than hiring additional personnel, recognizing this as a cost-effective practice for temporary needs.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Backfill/overtime costs are included in the annual budget.

Background

See extended background.

Attachment

1. Frequently Asked Questions & Responses
2. FY 18/19 Backfill/Overtime & Calendar Year 2019 Total Earnings/Compensation Analysis (PowerPoint Slides)

Background

The OCFA's General Fund budget consists primarily of labor costs, with approximately 91.8% of final Fiscal Year (FY) 2018/19 expenditures allocated to salaries and employee benefits. For FY 2018/19, final backfill/overtime expenditures were \$63,886,060 or 17.5% of total salary and employee benefit costs. The primary factors driving OCFA's backfill/overtime costs are:

- OCFA's Constant Staffing Policy - \$51.8M
- Major Emergency Incident Response - \$4.6M
- Training Requirements - \$4.1M
- Discretionary - \$3.4M

Backfill and overtime costs can either be non-discretionary or discretionary, as explained in the following paragraphs.

Constant Staffing Backfill/Overtime (Non-Discretionary)

The OCFA maintains constant staffing levels, which means that every day, all authorized Operations post-positions are staffed. Constant staffing enables delivery of emergency services 24-hours per day, 7-days per week. A post-position is a seat on a fire or Emergency Medical Services (EMS) response unit (including engines, trucks, and paramedic vehicles) that must be filled to meet the staffing requirements of that unit.

- Backfill occurs when there is a vacancy in a position that requires constant staffing and another employee works overtime to fill the vacancy. Examples include:
 - Positions temporarily vacant, due to personnel on leave (sick, vacation, jury duty, military leave, bereavement, workers' compensation, etc.)
 - Positions vacant due to cost control measures (open positions per the labor agreement)
 - Positions vacant as a result of retirements, promotions, or the addition of new positions to staff a new station or convert Basic Life Support engines to Advance Life Support engines
 - Positions temporarily vacant, due to personnel responding to major in/out-of-county emergency incidents
- Overtime is used for work performed above and beyond the constant staffing requirements. Examples include strike teams, overhead assignments, or emergency incidents, either in- or out-of-county, and mandatory training classes that occur on a day other than the employee's regularly assigned shift.

Major Emergency Incident Response (Non-Discretionary)

Another form of non-discretionary overtime incurred by OCFA is for major emergency incident response. OCFA responds to emergency incidents at the request of surrounding fire agencies (Mutual Aid), California Department of Forestry (CAL FIRE), Cleveland National Forest Service (CNF), and the California Office of Emergency Services (Cal OES). Backfill/overtime costs for responding to major emergency incidents in FY 2018/19 totaled \$4.6 million and represented approximately 7.2% of total backfill/overtime expenditures. Approximately 75-100% of these emergency related incident response costs (except Mutual Aid) are reimbursable.

Backfill/Overtime costs for constant staffing and major emergency incident response are considered non-discretionary and represent 88.25% of FY 2018/19 Backfill/Overtime costs.

Training Requirements (Discretionary & Non-Discretionary)

OCFA incurs additional backfill/overtime costs related to various training requirements for suppression personnel. Examples include mandatory training requirements for federal, state, and local programs including Urban Search and Rescue (US&R), Airport Rescue Firefighting (ARFF), Weapons of Mass Destruction (WMD), and Incident Command (IC). Additionally, the OCFA historically incurs overtime and backfill costs to provide training academies for new and/or promoted dispatchers, firefighters, engineers, captains, battalion chiefs, and reserve firefighters. Backfill/overtime costs as a result of training activities in FY 2018/19 totaled \$4.1 million and represented 6.4% of the total backfill/overtime expenditures.

Backfill/Overtime/Discretionary

For FY 2018/19, total discretionary backfill/overtime was \$3.4 million or 5.3% and is attributable to the following:

- Employees staffing special events, participating on project teams, and Fire Explorer Program activities
- Information systems including the Geographic Information System (GIS), automotive, communications services, and fire prevention personnel requested to work outside their normal work schedule

Regular vs. Overtime Analysis

Similar to prior years, backfill/overtime continues to be approximately 27% more cost effective than hiring a full-time benefited employee for filling temporary vacancies. For FY 2018/19, the estimated cost savings to OCFA by using overtime rather than full time employees to fill vacancies was \$19.9 million.

Total Employee Compensation Reporting

Effective in CY 2018, employers were required to only report the normal employer paid retirement costs and not report the Unfunded Actuarial Accrued Liability (UAAL) as part of an individual employee’s compensation. Currently, the UAAL comprises 43-60% of the employer retirement costs.

Compensation Cost Transparency

Annual employee compensation costs are posted and readily available on the OCFA website dating back to CY 2009. Since 2012, the format of the report includes all earnings segregated by base salary, overtime, unused leave payouts, and other/special pay. Employer paid retirement and benefits are also included in the employee compensation report. This year’s report will be posted to the OCFA website and submitted to the State Controller on or before April 30, 2020, in compliance with the due date.

Filling Vacant Positions

To help reduce the number of vacancies that are open pending hiring and promotions, OCFA has conducted, and plans to conduct, the following academies:

<u>Academies to be held in FY 2019/20</u>	<u>Academies planned for FY 2020/21</u>
3 Firefighter Academies	2 Firefighter Academies
3 Fire Apparatus Engineer Academies	2 Fire Apparatus Engineer Academies
3 Fire Captain Academies	2 Fire Captain Academies

We have reached nearly full staffing at the firefighter rank immediately following Firefighter Academy 48 and 49's graduations. Currently, we are conducting Firefighter Academy 50 and Firefighter Academy 51 will begin in August 2020. Firefighter vacancies have continued to accumulate quickly as we promote firefighters into the engineer and captain ranks, and also experience retirement activity among all ranks. As a result, staff is seeking continued Board authorization for the hiring of approximately 50 firefighters per academy for all academies during the next two fiscal years (FY 2020/21 and 21/22), due to attrition/promotions that will occur during and following academy graduations. This may result in total firefighter positions temporarily exceeding total permanent authorized firefighter positions pending promotions and retirements/other separations.

In addition, the Handcrew Firefighter rank will be impacted due to promotions that will occur during and following academy graduations. Handcrew Firefighter vacancies will accumulate quickly as we promote hand crew firefighters into the firefighter ranks. As a result, staff is seeking continued Board authorization for the hiring of approximately 16 Handcrew Firefighters during the fiscal year, due to attrition/promotions that will occur during and following academy graduations. This may result in total Handcrew Firefighter positions temporarily exceeding total permanent authorized Handcrew Firefighter positions pending promotions and retirements/other separations.

Backfill/Overtime Monitoring & Analysis

OCFA finance staff prepares monthly reports to track and monitor backfill/overtime activity. Reports are provided internally to management to show expenditures by section and by cause (reason), so that operations and support departments can monitor and, if required, adjust activities as needed in their respective areas.

The OCFA also has policies, procedures, and systems in place that monitor and report overtime usage. Due to the long fire season, combined with open positions and vacancies, and promotions and retirements during CY 2019, the OCFA was required to force many employees that possessed specialty skills to work extended hours. As stated earlier, the OCFA has aggressively been conducting various academies to help reduce the distribution of overtime and impact on employees. OCFA staff has also been working with the Orange County Professional Firefighters Association, Local 3631, to enhance existing policies and make modifications to the Staffing System to reduce the amount of forced overtime.

As discussed in this report, the majority of backfill/overtime incurred by the OCFA is non-discretionary and emergency response activity is generally 75-100% reimbursable. The small portion of overtime considered discretionary (5.3% of total backfill/overtime expenditures) is carefully managed and closely monitored.

FY 2018/19 BACKFILL/OVERTIME ANALYSIS FREQUENTLY ASKED QUESTIONS**1. What is a firefighter's standard work schedule?**

Firefighters assigned to suppression positions work 24-hour shifts which equate to a 56-hour average work week or 2,912 hours per year. When firefighters are assigned to staff positions on a 40-hour work week, they average 2,080 regular hours per year.

2. What does "maintaining constant staffing levels" mean? What is the difference between backfill and overtime?

This means that every day, all authorized Operations post-positions are staffed. A post-position is a seat on a fire or Emergency Medical Services (EMS) response unit (including engines, trucks and paramedic vans) that must be filled to meet the staffing requirement of that unit. Backfill occurs when there is a vacancy in a position that requires constant staffing and the employee either volunteers or is forced to work to fill the vacancy. Overtime is also used for work done above and beyond the constant staffing requirements. Examples of overtime include strike teams, overhead assignments to emergency incidents, either in- or out-of-county, and mandatory training classes that occur on days other than the employee's regularly assigned shift.

3. Because OCFA's backfill/overtime budget is significant, does that mean we are understaffed?

OCFA's backfill/overtime budget is significant, due to the reasons outlined in #2 above. Due to retirements and promotions, there are positions that have gone unfilled. In addition, a labor agreement includes provisions to hold 5 positions open for each rank in the firefighter labor group. This will be phased out over the next fiscal year ending as of September 2020. For FY 2018/19, vacant positions reached a high of 169, which required constant staffing on an overtime/backfill basis. Recent and planned academies along with promotional exams are expected to continue reducing the number of vacancies and open positions.

4. How many continuous hours may a firefighter work?

Currently, the maximum number of continuous hours (regular and backfill/overtime) an employee may work is 96. The Assistant Chief of Operations may suspend the 96-hour rule to ensure sufficient incident response capability and adequate station coverage. Employees enter their availability to work into the OCFA's Staffing System. The system hires employees based upon the premise of an equal distribution of overtime and agreed upon hiring list procedures. Personnel assigned to out-of-county strike teams or to overhead positions are often deployed for periods of 14-21 days. When assigned to these extended incidents, employees work within established work/rest cycles.

5. Is the OCFA concerned about employee fatigue as the result of the continuous work hour rules?

The OCFA recognizes employee fatigue is a factor that impacts employee performance. Severe fatigue may increase the dangers inherent in the performance of emergency operations. The OCFA takes steps to protect employees from these dangers and ensures that firefighters are trained, equipped and supervised to work as safely as possible. There is an additional emphasis on employee health and wellness provided through the WEFIT (Wellness) Program. Supervisors have the means by which to ensure employees are either adequately rested or relieved of duty where appropriate. Firefighters on extended incidents adhere to specified work/rest cycles.

**Fiscal Year 2018/19 Backfill/Overtime
&
Calendar Year 2019 Total
Earnings/Compensation Analysis**

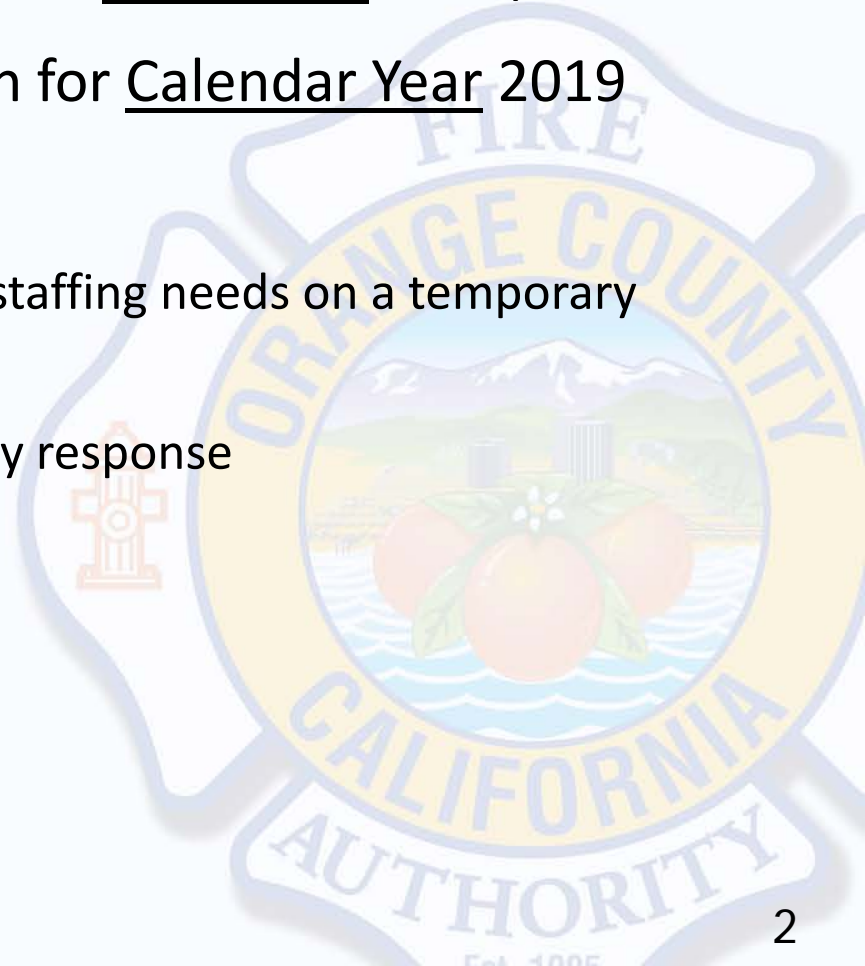
Board of Directors Meeting

March 26, 2020



Agenda

- Backfill and overtime earnings for Fiscal Year 2018/19
- Detail employee compensation for Calendar Year 2019
- Backfill/overtime:
 - Cost effective option to meeting staffing needs on a temporary basis
 - Provides for consistent emergency response
- Recommendations



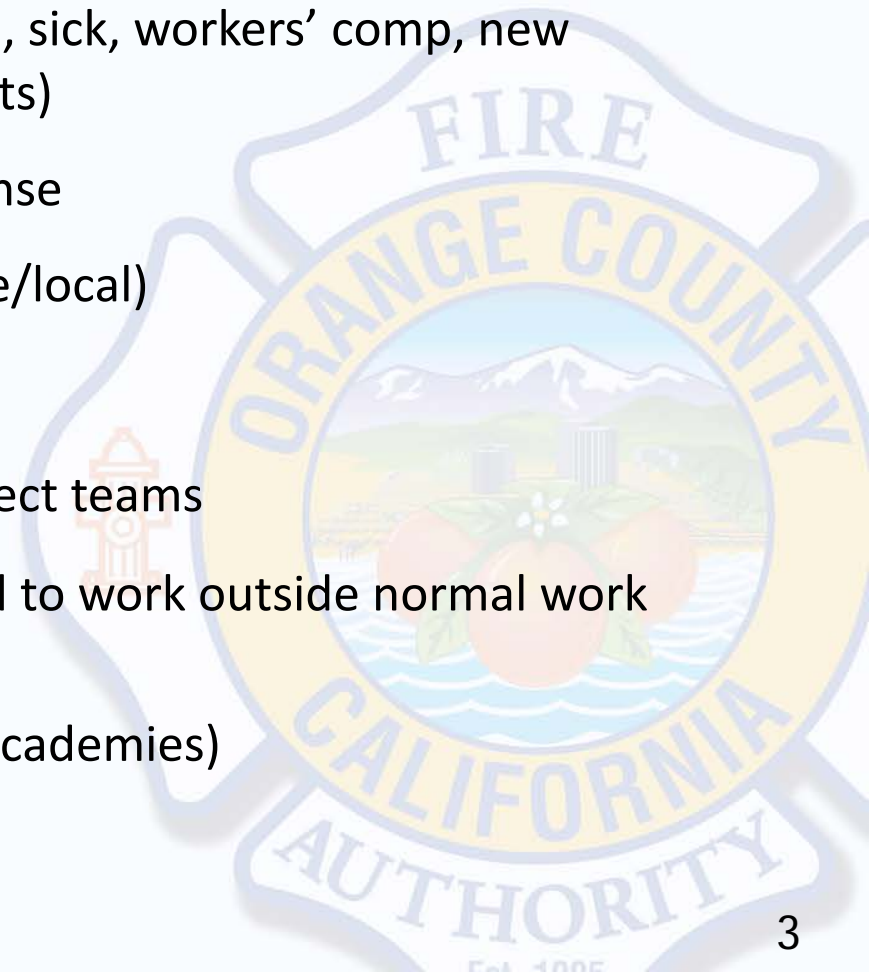
FY 2018/19 Backfill/Overtime Categories

- Non-Discretionary Categories:

- Constant Staffing Policy (vacation, sick, workers' comp, new positions, promotions, retirements)
- Major emergency incident response
- Training (mandatory federal/state/local)

- Discretionary Categories:

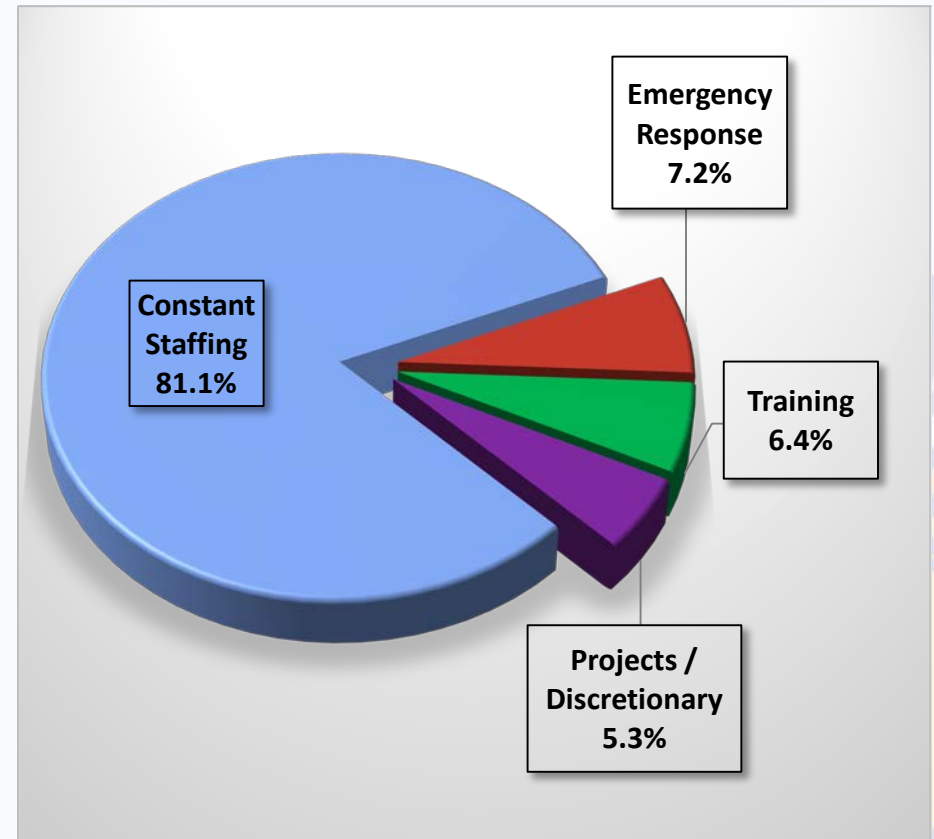
- Special events/assignments, project teams
- Department personnel requested to work outside normal work schedules
- Training (new hire/promotional academies)



FY 2018/19 Backfill/Overtime by Category

Categories of Backfill/OT	FY 2018/19 (in millions)
Constant Staffing (ND)	\$51.8
Emergency Response* (ND)	\$4.6
Training (Discretionary & Non-Discretionary)	\$4.1
Projects/Discretionary	\$3.4
FY 2018/19 Total	\$63.9

ND: Non-Discretionary



* Emergency response overtime is generally 75-100% reimbursable

Overtime Cost Effectiveness

Firefighter Position Example

Top Step Hourly Rate Regular Full-Time	Hourly Regular Rate	Hourly OT Rate
<i>Salaries:</i>		
Base Hourly Rate	\$32.97	\$49.46
Other Pays (Holiday, Educ. Inc., EMT)	\$7.93	\$0.15
Total Salaries	\$40.90	\$49.61
<i>Benefits:</i>		
Retirement	\$19.65	
Workers' Compensation/Medicare	\$1.64	\$1.88
Health Insurance	\$8.18	
Total Benefits	\$29.47	\$1.88
Total Hourly Salaries & Benefits	\$70.37	\$51.49

\$ Difference	\$18.88
% Difference	26.83%

It is approximately 27% more cost effective to use overtime to backfill temporary firefighter vacancies compared to hiring a regular full-time firefighter to fill floating temporary vacancies

FY 2018/19 Regular vs. Overtime Analysis

Firefighter Ranks Estimated Cost Savings

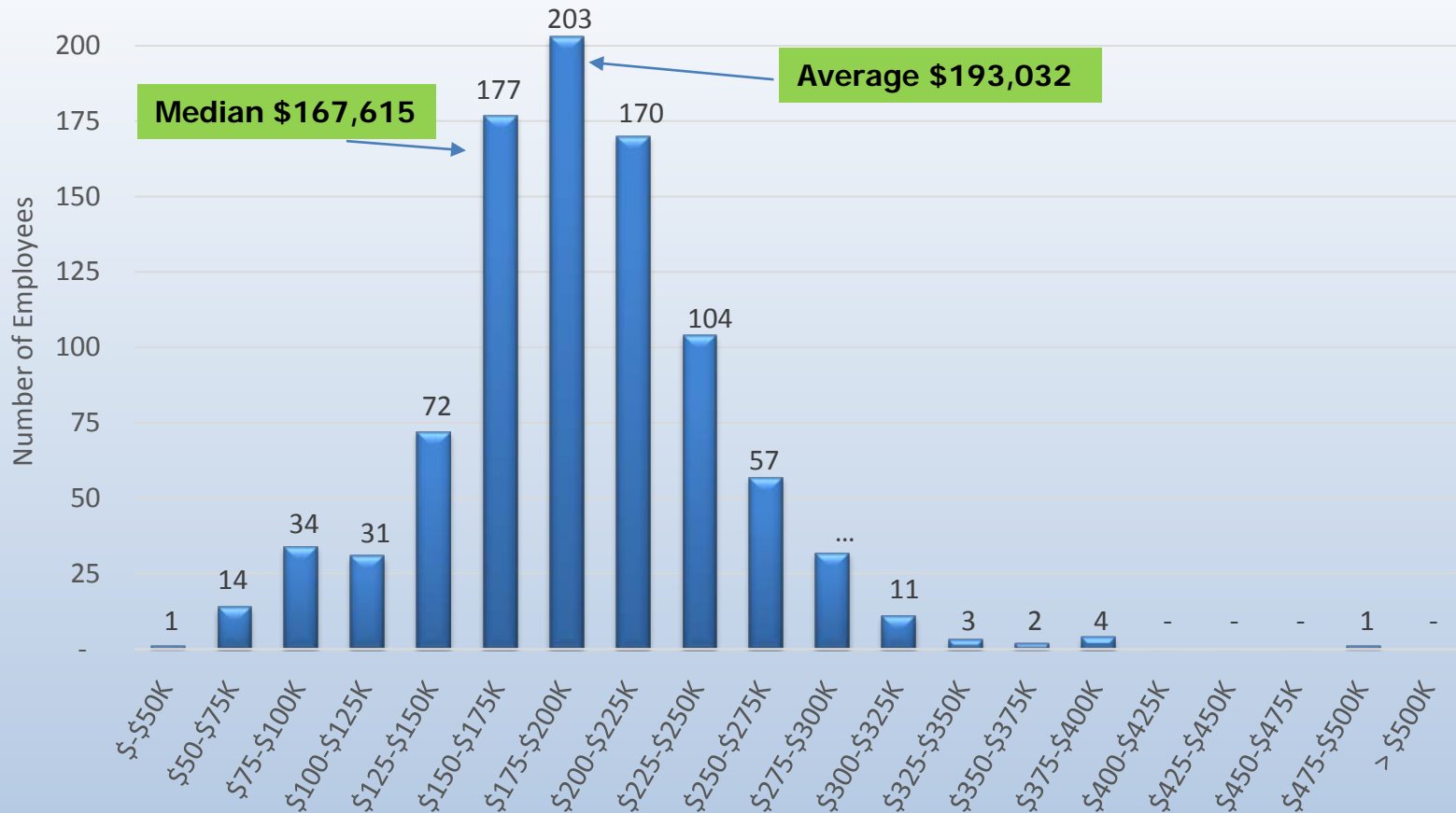
	Actual Overtime Hours Worked	FTE Equivalent	Estimated * FTE Cost	Estimated * Overtime Cost	Estimated * Cost Savings by Utilizing Backfill/Overtime
Fire Captain	311,513	107.0	\$27,669,967	\$21,026,332	\$6,643,635
Engineer	266,119	91.4	\$20,418,548	\$15,722,538	\$4,696,010
Firefighter	455,594	156.5	\$32,058,535	\$23,453,282	\$8,605,253
		354.9	\$80,147,050	\$60,202,152	\$19,944,898

The estimated \$19.9 million savings is a direct result of utilizing overtime/backfill rather than full-time employees at a blended savings of 23-27%

* Utilizes estimated hourly rates for top step within a classification.

Firefighter Ranks Earnings Analysis

Calendar Year 2019 Firefighter Ranks Earnings*
(excluding trainees, minimum 2,000 hours)

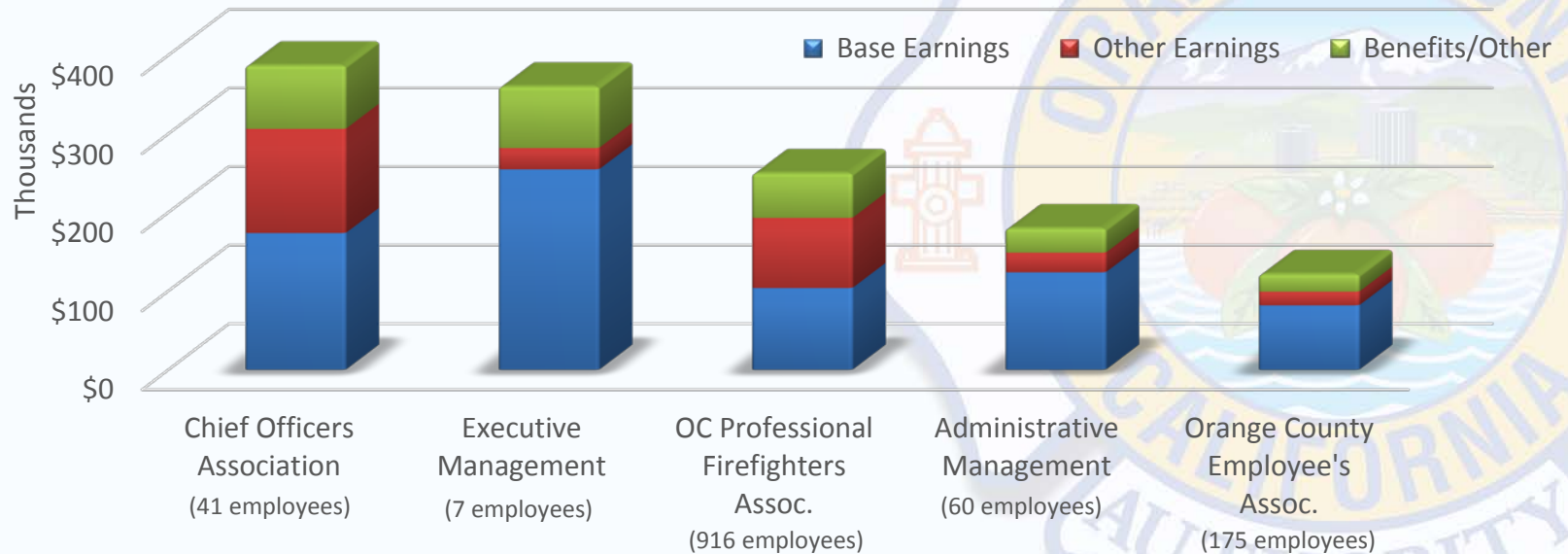


* Excludes benefits

Calendar Year 2019 Total Employee Compensation

Bargaining Group	Average Base Earnings	Average Total Earnings	Average Total Compensation
CHIEF OFFICERS ASSOCIATION	\$173,643	\$306,236	\$386,877
EXECUTIVE MANAGEMENT	\$254,730	\$293,285	\$360,069
OC PROFESSIONAL FIREFIGHTERS ASSOCIATION	\$103,730	\$193,032	\$249,822
ADMINISTRATIVE MANAGEMENT	\$123,672	\$148,904	\$179,665
ORANGE COUNTY EMPLOYEE'S ASSOC.	\$81,684	\$99,023	\$121,325

Average Employee Total Compensation*

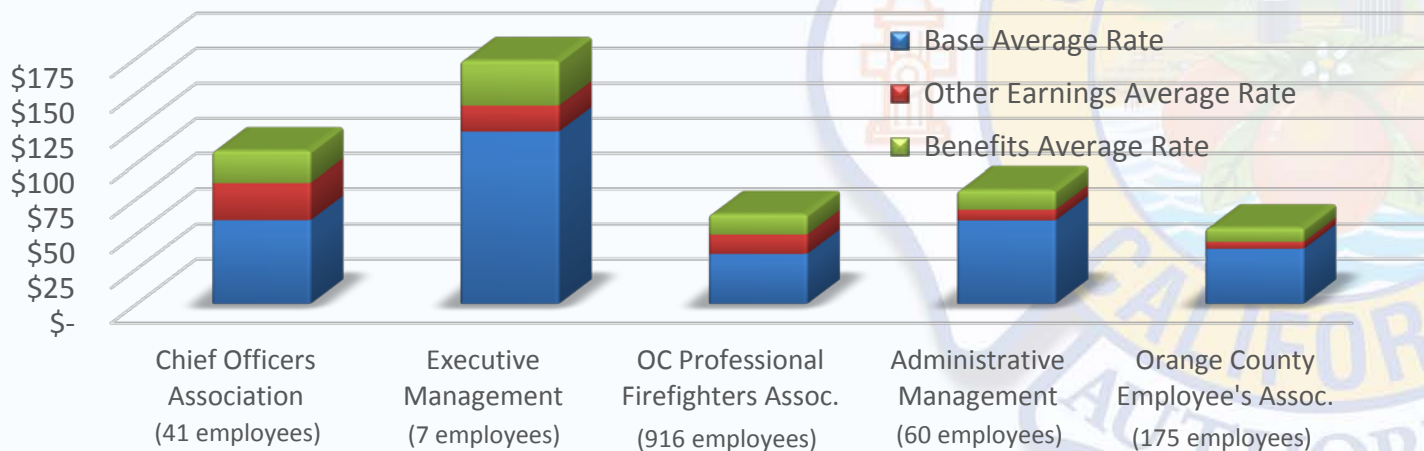


* Employees working a minimum of 2,000 hours

Calendar Year 2019 Total Compensation – Average Hourly Rate

Bargaining Group	BASE EARNINGS			TOTAL EARNINGS			TOTAL COMPENSATION		
	Average Base Earnings	Regularly Scheduled Hours	Average Hourly Rate	Average Total Earnings	Average Hours Worked	Average Hourly Rate	Average Total Compensation	Average Hours Worked	Average Hourly Rate
CHIEF OFFICERS ASSOCIATION	\$173,643	2,912	\$59.63	\$306,236	3,556	\$86.12	\$386,877	3,556	\$108.80
EXECUTIVE MANAGEMENT	\$254,730	2,080	\$122.47	\$293,285	2,080	\$141.00	\$360,069	2,080	\$173.11
OC PROFESSIONAL FIREFIGHTERS ASSOCIATION	\$103,730	2,912	\$35.62	\$193,032	3,906	\$49.41	\$249,822	3,906	\$63.95
ADMINISTRATIVE MANAGEMENT	\$123,672	2,080	\$59.46	\$148,904	2,216	\$67.19	\$179,665	2,216	\$81.07
ORANGE COUNTY EMPLOYEE'S ASSOC.	\$81,684	2,080	\$39.27	\$99,023	2,238	\$44.24	\$121,325	2,238	\$54.21

Employee Total Compensation – Average Hourly Rate*



* Employees working a minimum of 2,000 hours

Calendar Year 2019 Top 10 Employees: Compensation Pensionable vs. Non-Pensionable Costs

	Title/Assignment	Total Compensation	Compensation Pensionable	Compensation Non-Pensionable	Employer Paid Pension (Non-Pensionable)	Employer Paid Health (Non-Pensionable)
1	Fire Captain/PM	\$551,502	\$180,434	\$371,068	\$50,595	\$24,040
2	Chief Officer	\$511,460	\$198,255	\$313,205	\$57,983	\$23,526
3	Chief Officer	\$504,516	\$207,647	\$296,869	\$62,045	\$23,761
4	Chief Officer	\$483,273	\$187,004	\$296,269	\$58,196	\$23,768
5	Chief Officer	\$471,340	\$187,004	\$284,336	\$58,114	\$22,783
6	Fire Captain/PM	\$461,341	\$163,021	\$298,320	\$49,688	\$24,040
7	Fire Captain/PM	\$458,915	\$167,380	\$291,535	\$48,094	\$24,040
8	Chief Officer	\$456,750	\$177,199	\$279,551	\$54,729	\$23,454
9	Chief Officer	\$454,640	\$207,419	\$247,221	\$61,184	\$19,907
10	Fire Captain	\$451,874	\$138,967	\$312,907	\$44,589	\$24,040

Calendar Year 2019 Top 10 Employees: Compensation Average Hourly Rate

	Title/Assignment	Total Compensation	Base Hours	Backfill/ Overtime Hours	Total Hours	Average Hourly Rate
1	Fire Captain/PM	\$551,502	2,720	3,859	6,579	\$83.83
2	Chief Officer	\$511,460	2,912	2,536	5,448	\$93.89
3	Chief Officer	\$504,516	2,144	1,554	3,698	\$136.41
4	Chief Officer	\$483,273	2,912	1,998	4,910	\$98.42
5	Chief Officer	\$471,340	2,912	1,875	4,787	\$98.46
6	Fire Captain/PM	\$461,341	2,912	3,124	6,036	\$76.44
7	Fire Captain/PM	\$458,915	2,912	3,004	5,916	\$77.57
8	Chief Officer	\$456,750	2,912	2,104	5,016	\$91.06
9	Chief Officer	\$454,640	2,080	1,180	3,260	\$139.46
10	Fire Captain	\$451,874	2,912	3,506	6,418	\$70.40

Calendar Year 2019 Top 10 Employees: Hours by Backfill/Overtime*

	Title/ Assignment	Base Hours Worked	Backfill for Constant Staffing	Overtime for Emergency Incidents (1)	Overtime to Attend Training	Other (2)	Total Hours
1	Fire Captain/PM	2,720	2,983	250	322	304	6,579
2	Chief Officer	2,912	2,126	136	180	94	5,448
3	Chief Officer	2,144	1,237	176	129	12	3,698
4	Chief Officer	2,912	1,599	57	218	124	4,910
5	Chief Officer	2,912	1,539	49	223	64	4,787
6	Fire Captain/PM	2,912	2,554	37	381	152	6,036
7	Fire Captain/PM	2,912	2,600	-	78	326	5,916
8	Chief Officer	2,912	1,841	179	72	12	5,016
9	Chief Officer	2,080	766	137	207	70	3,260
10	Fire Captain	2,912	3,098	48	171	189	6,418

* Per Cause Code

(1) Reimbursable

(2) Special Activities, Other Discretionary/Non-Discretionary, Administrative

Summary

- Approximately 88% of the backfill/overtime costs are non-discretionary (81% constant staffing and 7% emergency activity)
- OCFA staff has conducted and anticipates the following academies over the next two fiscal years:

<u>FY 2019/20</u>	<u>FY 2020/21</u>
3 Firefighter Academies	2 Firefighter Academies
3 Fire Apparatus Engineer Academies	2 Fire Apparatus Engineer Academies
3 Fire Captain Academies	2 Fire Captain Academies

- When backfill/overtime is required, it is approximately 27% more cost effective than hiring a full-time benefited employee for filling temporary vacancies

Recommended Action

Review the proposed agenda item and:

1. Direct staff to continue pursuing reductions in overtime by filling permanent vacancies as quickly as possible after the positions become vacant.
2. Authorize staff to temporarily exceed the number of authorized firefighter positions on the Master Position Control to maximize the number of firefighters hired into each academy, pending attrition/promotions that occur following academy graduations.
3. Authorize staff to temporarily exceed the number of authorized Hand Crew firefighter positions on the Master Position Control to maximize the number of Hand Crew firefighters hired from each Hand Crew firefighter recruitment process, pending attrition/promotions that occur as Hand Crew firefighters promote to the firefighter rank.
4. Direct staff to continue using overtime to fill temporary vacancies rather than hiring additional personnel, recognizing this as a cost-effective practice for temporary needs.

Questions/Comments?





Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
March 26, 2020

Agenda Item No. 2E
Consent Calendar

**Quarterly Status Report
Placentia Fire and Emergency Medical Services**

Contact(s) for Further Information

Brian Fennessy, Fire Chief

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714.573.6010

Summary

This agenda item is submitted to provide a quarterly status briefing regarding the transition of Fire and Emergency Medical Services (EMS) from the Orange County Fire Authority (OCFA) to the City of Placentia.

Prior Board/Committee Action

At its June 27, 2019, meeting the Board of Directors was presented an overview of the City of Placentia's Fire/Emergency Medical Services (EMS) Transition Plan. Staff was directed to provide quarterly status updates regarding the transition of services. Prior updates were provided on September 26, 2019 and January 23, 2020.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

The City of Placentia's withdrawal from OCFA effective July 1, 2020, will result in a \$7.1 million reduction to annual cash contract revenue, with a corresponding \$6.1 million reduction to expenditures. Note that the expenditure reduction is less than the revenue reduction since a portion of the operational resources currently within the City (Truck 34) will be relocated to a neighboring OCFA city and continue to serve other areas of OCFA's jurisdiction.

Background

On June 4, 2019, the Placentia City Council voted to proceed in establishing a Placentia Citywide Fire Protection & EMS Department, effective July 1, 2020. At the OCFA Board of Directors June 27, 2019, meeting, staff was directed to provide quarterly reports on the transition, including any policy matters that may require Board action. Below are topics that staff identified for the Board's awareness:

- 1) **Movement of Truck 34:** Truck 34 is currently positioned at Fire Station 34 in Placentia, with a previously identified plan to move the Truck into the neighboring City of Yorba Linda at Fire Station 10. Movement of Truck 34 to Fire Station 10 remains dependent on identification of a new site to build a replacement/larger station within Yorba Linda; however, a viable site available for OCFA to purchase has not yet been found.

As an interim solution, staff is planning to move Truck 34 to Fire Station 32 in the City of Yorba Linda, where it will continue serving OCFA's regional jurisdiction following Placentia's withdrawal. Preparation for this move has begun, with a target completion date of May 15, 2020.

- 2) **Movement of Battalion 2 Headquarters:** The headquarters for OCFA's Battalion 2 will be moved from Fire Station 34/Placentia to Fire Station 53/Yorba Linda. Preparation for this move has begun, with a target completion date of May 15, 2020.
- 3) **Absorption of Personnel:** In addition to Truck 34, OCFA currently has an additional 24 full-time positions assigned to staffing of Engine 34 and Engine 35 in Placentia. The labor association which represents the employees assigned to these positions (the Orange County Professional Firefighters Association/Local 3631, or OCPFA) has requested to meet and confer with OCFA management regarding the impact to these employees as a result of Placentia's withdrawal from OCFA. We are in the process of scheduling the "impact bargaining" with the OCPFA and will provide future updates, including potential scheduling of confidential closed session discussions with the Board, if needed.

Notwithstanding any alternative courses of action recommended per the "impact bargaining", OCFA management has made preliminary plans to absorb the employees currently assigned to these 24 Placentia positions by providing the employees an opportunity to bid into other vacant positions within OCFA's service jurisdiction. We have established a target completion date of May 30, 2020 for incumbent employees to complete the process of bidding available positions that they wish to transition to through the OCFA's routine transfer cycle.

- 4) **Five-Year Shortfall Payment Obligation at Withdrawal:** Pursuant to Article VII, Section 1.F of the OCFA's Joint Powers Authority Agreement, "the balance of any shortfall that may have accumulated during a City's ten-year period of membership shall be paid upon withdrawal." Staff calculated Placentia's shortfall value at \$312,537 and obtained concurrence with the calculation by City Administrator Damien Arrula. OCFA billed the City for this obligation in late-February, with a due date of June 30, 2020.
- 5) **Fire Station Transition:** OCFA staff is continuing to meet with Placentia personnel regularly to develop a facilities, communications, and information technology transition plan in preparing to transfer Fire Stations 34 and 35 back to the City. These meetings are occurring at least monthly until the July 1, 2020, transition date.
- 6) **Future OCFA Aid to and from Placentia:** Local government fire departments routinely and voluntarily aid and assist each other when emergencies exist within their respective jurisdictions. There are primarily two methods of attaining emergency aid: Mutual Aid and Automatic Aid. Reciprocity of resource exchange is the basis for determining which type of aid may be voluntarily provided to a requestor.

Mutual Aid

In organization theory, Mutual Aid is a voluntary reciprocal exchange of resources and services for mutual benefit. In Mutual Aid, the fire departments have basically agreed to give each other assistance across jurisdictional boundaries during incidents where the local department's resources are insufficient.

In emergency services, Mutual Aid is an agreement among emergency responders to lend assistance across jurisdictional boundaries. This may occur due to an emergency response that exceeds available local resources, such as a disaster or a multiple-alarm fire. This occurs only if the requested agencies have enough resources to help others at the time. Mutual Aid is voluntary and may not occur if the requested agencies are dealing with incidents of their own and/or do not have enough equipment or firefighters to share at the time. The closest available fire department resources are usually requested, and the circle of requests gets larger until enough help can be found.

Mutual Aid may be *ad hoc*, requested only when such an emergency occurs. Mutual Aid must be requested through the Orange County Operational Area Fire Coordinator's Emergency Command Center. Fire agencies are able to charge other jurisdictions its actual costs for the provision of Mutual Aid.

Automatic Aid

A more formal agreement to send the resources automatically would be known as "Automatic Aid." A standing agreement for cooperative emergency management on a continuing basis, such as ensuring that resources are dispatched from the nearest fire station, regardless of which side of the jurisdictional boundary the incident is on.

Reciprocity of resource exchange is the basis for determining which type of aid may be voluntarily provided to a requestor. Reciprocity has nothing to do with equity in number of incident exchange between jurisdictions. Emergency aid that is not reciprocal, either due to the type or number of resources being requested, or the type of resource needs the requesting agency is unable to provide, is considered Mutual Aid.

Since Placentia's proposed Fire and Emergency Medical Services (EMS) delivery model will not be able to provide the number of reciprocal or like services, the OCFA and other neighboring fire departments have been considering the following decision factors listed below. While these decision factors/questions were included in prior updates that staff provided to the Board, we have now also added our preliminary responses to each factor:

- How requests for aid to Placentia will be processed?
During our January 2020 discussion with the OCFA Board of Directors, staff indicated its operational intent to respond to Placentia's requests for aid, when feasible based on OCFA resource availability. Staff also indicated that, depending on the circumstances, OCFA may respond with more resources than requested by Placentia in order to meet OCFA's standards for firefighter safety.
- Will aid into Placentia be considered Mutual Aid with associated charges?
Lacking further information from Placentia to justify otherwise, staff's current intent is to consider the aid that OCFA provides into Placentia to be Mutual Aid. Further, staff's preliminary plan is to apply associated charges using the Assistance-by-Hire (ABH) rates that are routinely approved by the OCFA Board of Directors for billing other agencies whenever OCFA provides ABH.
- Can aid be reasonably expected or acceptable from Placentia back to the OCFA and neighboring agencies, given the significantly lower level of skills/training possessed by contract and reserve personnel, and the unknown number of skilled firefighters staffing the Placentia units? The EMS personnel used by Placentia will not be dual function

firefighter/paramedics; therefore, will not possess the same training and will be unable to safely operate on many of the incidents when needed.

Given the increased number of emergency response units and firefighters being relocated to the City of Yorba Linda, the need for aid from Placentia back to the OCFA may not be necessary. Response maps indicate that OCFA emergency response units meet minimum emergency response performance measures without the assistance of mutual or auto aid units. Expectations of utilizing Placentia Fire units, if any, may be better determined as we learn more about the level of skills possessed by, and the type of training provided to, the new Placentia Fire Department personnel; this topic remains an outstanding matter.

7) Recap of Unresolved Concerns Outlined in Prior Quarterly Updates

OCFA staff last met with Mr. Scott Ferguson (the current contract consultant serving the City of Placentia) in October 2019 and at his request, primarily for discussion of how aid will be provided among the neighboring fire departments. Since that time, he has met individually and jointly with the Fire Chiefs from Anaheim and Fullerton/Brea. These meetings have not been productive and have led to even more questions and concerns. The priority concerns are listed below and have been shared with Mr. Ferguson:

1. Firefighter Safety

- a. No information has been provided as to the initial full alarm assignment capability expectations for: single-family dwellings, apartments, open-air strip shopping centers, and high-rise structure fires in Placentia
 - i. Expectation by OCFA is that the initial alarm assignments will be compliant with NFPA 1710 2020 Edition
 - ii. Based on a formal community risk assessment, fire suppression operations shall be organized to ensure that the fire department's fire suppression capability encompasses deployment of personnel, equipment, and resources for an initial arriving company, the initial full alarm assignment, and additional alarm assignments
- b. No plan or procedures have been provided that ensure consistency and best business practice in how a mayday situation (lost, disoriented, trapped firefighter) will be handled by the Placentia Police Department Dispatch Center Dispatchers and its backup Public Safety Answering Point (PSAP) agency

2. Increased Risk to Neighboring Communities

- a. If Mutual Aid is provided to Placentia, neighboring communities will experience a significantly longer duration drawdown of their community fire station resources, and on a more frequent basis than experienced now, due to service level reductions (staffing & deployment) in Placentia
 - i. The proposed Placentia Fire Department will NOT be able to ensure firefighter or citizen safety without neighboring fire agencies significantly subsidizing emergency response to structure fires in Placentia
 - ii. The proposed Placentia Fire Department will NOT be able to ensure citizen safety without neighboring fire agencies significantly subsidizing emergency Advanced Life Support (ALS) medical response

3. Firefighter Training

- a. Absent OCFA review and validation that the below has been accomplished, OCFA resources will respond to requests for Mutual Aid with the minimum number of trained OCFA firefighters (per NFPA 1710 staffing & deployment), and will enter into unified command with Placentia, in an effort to control the emergency incident and ensure firefighter safety
 - i. No information has been provided that ensures that Placentia response personnel shall be trained in their assigned positions in accordance with Sections 5.2 and 5.3 of NFPA 1500
 - ii. No information has been provided that per NFPA 1710, Placentia shall have a training program and policy that ensure that members are trained, and competency is maintained to execute all responsibilities consistent with the department's organization and deployment
 - iii. No information has been provided that ensures that per NFPA 1710, Placentia shall adopt training standards based on the cited hazards and risks, set performance objectives to achieve those standards, and demonstrate training and competency by meeting the performance objectives
 - iv. No information has been provided that ensures that procedures and training of Placentia personnel in Mutual Aid, Automatic Aid, and fire protection agreement plans shall be comprehensive to produce an effective fire force and to ensure uniform operations

4. Dispatch Agency Staffing

- a. No plan or procedures have been shared that demonstrates Placentia Police Department's commitment to adhering to NFPA 1221 standards

5. Transfer of 9-1-1 Calls

- a. Cal OES requires all PSAP's to meet mandatory standards from the CA 9-1-1 Operations Manual that could be affected by additional call volume. No plan or procedures have been shared that demonstrates Placentia Police Department's commitment to adhering to Cal OES requirements

6. HIPAA

- a. Unlike any other government agency in Orange County, Placentia has entered into a contract with a private/for-profit company (non-governmental agency) to provide ALS services
 - i. As such, there are legally protected HIPAA law compliance/privacy concerns that will need to be addressed by internal and external legal counsel

7. Fire Marshal Recommended Code Adoption

- a. Last minute change at November 12, 2019, Placentia City Council Meeting resulted in the elimination of OCFA Fire Marshal recommended amendments pertaining to the addition of fire sprinklers in commercial buildings at 5,000 square feet due to perceived conflict with the California Building Code

- i. OCFA provides all of its cities with coordinated and recommended California Building Code (CBC) and California Residential Code (CRC) amendments to match Fire Marshal recommended amendments
- b. Placentia has made a decision that no longer will existing buildings need to be retrofitted during tenant improvement unless code specifically dictates it for occupancy type
- c. The outcome of this decision is that most new commercial buildings will be sprinkled at 12,000 square feet or more
- d. This is inconsistent with best business practices throughout the county and represents an unnecessary hazard to citizens and firefighters, if these buildings are on fire

Attachment(s)

None.