

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Regular Meeting
Wednesday, September 14, 2022
12:00 Noon

Regional Fire Operations and Training Center
Board Room
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 September 14, 2022, at 12:00 p.m. by Chair Ta.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Tri Ta, Westminster, Chair*
John O'Neill, Garden Grove, Vice Chair
Troy Bourne, San Juan Capistrano*
Gene Hernandez, Yorba Linda
Vince Rossini, Villa Park*
Ed Sachs, Mission Viejo*
Mark Tettermer, Lake Forest*

Absent: Austin Lumbard, Tustin
Shelley Hasselbrink, Los Alamitos

Staff present were:

Fire Chief Brian Fennessy
Assistant Chief Robert Cortez
Assistant Chief Jim Ruane
Assistant Chief Stephanie Holloman
Communications Director Matt Olson
Clerk of the Authority Maria D. Huizar

Deputy Chief Lori Zeller
Deputy Chief Kenny Dossey
Assistant Chief Lori Smith
General Counsel David Kendig
Ex-Officio Member Jennifer Cervantez*
Division Chief Rob Capobianco
Division Chief Tim Perkins

**Those members attending via Teleconferencing*

PUBLIC COMMENTS

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

1. PRESENTATION

No items.

2. CONSENT CALENDAR

On motion of Director Hernandez, and second by Director Rossini, and following a roll call vote, approved 7-0 Agenda Items 2A-2E (Directors Lumbard and Hasselbrink absent). Director Tetterer pulled Agenda Item 2F for separate consideration.

A. Minutes for the Budget and Finance Committee Meetings (FILE 12.02B2)

Action:

1. Approve the Minutes for the July 13, 2022, Regular Meeting as submitted.
2. Approve the Minutes for the July 14, 2022, Concurrent Joint Special Meeting as submitted.
3. Approve the Minutes for the July 28, 2022, Concurrent Joint Special Meeting as submitted.
4. Approve the Minutes for the August 25, 2022, Concurrent Joint Special Meeting as submitted.

B. Monthly Investment Reports (FILE 11.10D2)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

C. Fourth Quarter Financial Newsletter (FILE 15.07)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

D. Fourth Quarter Purchasing Report (FILE 11.10H1)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the report.

E. Annual Investment Report (FILE 11.10D1)

Action: In compliance with Section 18.2 of the Orange County Fire Authority's Investment Policy, review the proposed annual agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

F. Acceptance of 2022 Department of Homeland Security/Federal Emergency Management Agency's Urban Search & Rescue Preparedness Cooperative Agreement Funding (FILE 26.02B)

Director Tetterer pulled this item for separate consideration.

On motion of Director Tetterer and second by Director O'Neill, and following a roll call vote, approved 7-0 (Directors Lumbard and Hasselbrink absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and adopt the proposed Resolution to accept the Department of Homeland Security/Federal Emergency Management Agency's Grant Readiness Cooperative Agreement funding.
2. Approve a budget adjustment to the FY 2022/23 General Fund (121) budget increasing revenues and expenditures by \$1,247,650

3. DISCUSSION CALENDAR

A. Proposed Purchase of Two Firehawk Helicopters (FILE 18.9)

Fire Chief Fennessy presented the Proposed Purchase of Two Firehawk Helicopters. He introduced Assistant Chief Robert Cortez who provided a PowerPoint presentation review of financial aspects of the proposed purchase, and Division Chief Tim Perkins who provided an overview of the air operations capabilities and significance for the OCFA regions served.

Todd Baldrige, President of Firefighter Local 3631, addressed concerns regarding the proposed purchase of the Firehawk helicopters.

Discussion ensued.

On motion of Director Sachs and second by Director Hernandez, and following a roll call vote, approved 6-1 (Director Tetterer opposed, Directors Lumbard and Hasselbrink absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Purchasing Manager to enter into a Master Purchase Agreement with United Rotorcraft, in a form approved by legal counsel (*current draft provided as Attachment 1*), which includes the express condition that the purchase is

- contingent upon the closure of and funding from the associated lease-purchase financing transaction (anticipated to occur no later than November 7, 2022), utilizing the sole source procurement provision in the Purchasing Ordinance for the provision of two Firehawk (Sikorsky S70 Type 1) helicopters in the amount of \$55,871,980.32 inclusive of Sales Tax.
2. Approve and authorize the Purchasing Manager to enter into a Professional Services Agreement with FlightSafety International, in a form approved by legal counsel (*current draft provided as Attachment 2*), which includes the express condition that the purchase is contingent upon the closure of and funding from the associated lease-purchase financing transaction (anticipated to occur no later than November 7, 2022), utilizing the sole source procurement provision in the Purchasing Ordinance for the provision of OCFA pilot flight safety training to operate the Sikorsky S70 Type 1 helicopters in the amount of \$389,400.
 3. Approve and authorize the Purchasing Manager to enter into a Professional Services Agreement with Sikorsky, in a form approved by legal counsel (*current draft provided as Attachment 3*), which includes the express condition that the purchase is contingent upon the closure of and funding from the associated lease-purchase financing transaction (anticipated to occur no later than November 7, 2022), utilizing the sole source procurement provision in the Purchasing Ordinance for the provision of OCFA pilot in-flight training and maintainer training to operate and maintain the Sikorsky S70 Type 1 helicopters in the amount of \$568,460.
 4. Direct staff to pursue one of the following lease-purchase financing options and return to the Board of Directors at the October 27, 2022, meeting for approval of the final financing documents: (*Note: Staff will provide supplemental information regarding cost of borrowing for each option prior to, or during the September 14 meeting.*)
 - Option 1:** Term of 7-years
 - Option 2:** Term of 10-years
 - Option 3:** Term of 15-years
 5. Approve proposed Resolution adopting OCFA's Local Debt Policy in the form attached hereto as Attachment 4.
 6. Direct staff to partner with the City of Irvine and the City of Yorba Linda to coordinate a public hearing pursuant to the Joint Powers Act, which requires one of the member local agencies within the JPA (not the actual JPA itself) to approve the proposed financing of the public capital improvement and make a finding of significant public benefit.
 7. Authorize staff to increase revenue and expenditures by \$57,026,440.32 in the FY 2022/23 Adopted Budget, Capital Improvement Program – Fund 133 (Fire Apparatus) to recognize the financing proceeds revenue and to increase appropriations for the helicopter acquisition, cost of issuance (includes Municipal Financial Advisor and Special Counsel), and project implementation costs (one-time pilot/mechanic training).
 8. Direct staff to return to the Board of Directors in January 2023 with the FY 2022/23 Mid-Year Financial Review, to include necessary adjustments to the Five-Year Capital Improvement Program for the addition of annual lease-purchase installment payments effective starting January 2024, and other CIP adjustments that may be needed for adjusted prioritization of capital projects.
 9. Direct staff to include all supplemental costs associated with the future ongoing operation of the new helicopters, as outlined herein, in the Proposed FY 2023/24 Budget that will be submitted to the Board of Directors for review and approval in May 2023.
 10. Direct staff to return to the Executive Committee with specific timing to be determined based on delivery and operation of the new helicopters, for any related subsequent

contract approvals and amendments including (but not limited to) approval of aircraft insurance and adjustment of associated vendor contracts for ongoing augmented pilot training and maintenance programs. Any subsequent contracts or amendments that require a budget adjustment shall be presented to the Board of Directors.

11. Adopt an exemption from the California Environmental Quality Act (CEQA) pursuant to Title 14, California Code of Regulations, Section 15301 (Existing Facilities) and direct staff to file a Notice of Exemption.

B. Addition of State-Funded Handcrew Positions (FILE 17.10D1 17.18)

Deputy Chief Lori Zeller presented the Addition of State-Funded Handcrew Positions.

Director Tetterer left at this point (1:10 p.m.).

Director Sachs left at this point (1:10 p.m.).

On motion of Director O'Neill and second by Director Hernandez, and following a roll call vote, approved 5-0 (Directors Sachs, Tetterer, Lumbard, and Hasselbrink absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of September 22, 2022, with the Budget & Finance Committee's recommendation that the Board:

1. Increase General Fund (121) revenues and expenditures in the FY 2022/23 Adopted Budget by \$4,233,333 for the ongoing addition of state-funded handcrews.
2. Approve the addition of the following state-funded positions to the Master Position Control List: one (1) Hand Crew Superintendent, two (2) Fire Captains, three (3) Fire Apparatus Engineers, twenty (20) Hand Crew Firefighters and one (1) Human Resources Analyst II.

C. Award of RFP# RO2480a Armed Physical Security/Security Management Services and Approval of Corresponding Budget Adjustments (FILE 19.07B2)

Assistant Chief Jim Ruane presented the Award of RFP#RO2480a Armed Physical Security/Security Management Services and Approval of Corresponding Budget Adjustments.

On motion of Director O'Neill and second by Director Hernandez, and following a roll call vote, approved 5-0 (Directors Sachs, Tetterer, Lumbard, and Hasselbrink absent) to review the proposed agenda item and direct staff to place the following on the agenda for the Board of Directors meeting on September 22, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Purchasing Manager to execute the proposed Security Services Agreement (Attachment 1) for Armed Physical Security and Security Management Services with the Orange County Sheriff's Department for a three-year initial term plus two optional one-year renewals in an amount not to exceed \$1,304,269 annually (\$6,521,345 5-year aggregate), plus allowances for annual cost adjustments as described in Exhibit "B" of the Agreement.
2. Direct staff to make the recommended budget adjustment, as noted in the fiscal impact section of this report.
3. Approve and authorize the Purchasing Manager to increase and extend the existing contract with Allied Universal as needed to allow for the transition to the new contract for Armed Physical Security Services

D. Carryover of FY 2021/22 Uncompleted Projects (FILE 15.04)

Assistant Chief Robert Cortez presented the Carryover of FY 2021/22 Uncompleted Projects.

On motion of Director O'Neill and second by Director Hernandez, and following a roll call vote, approved 5-0 (Directors Sachs, Tetterer, Lumbard, and Hasselbrink absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of September 22, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors authorize the following proposed budget adjustments:

1. Approve a budget adjustment in the FY 2022/23 General Fund (121) to adjust revenues by \$16,168,371 and expenditures by \$15,945,596.
2. Approve a budget adjustment in the FY 2022/23 General Fund CIP (12110) to adjust expenditures by \$3,171,048.
3. Approve a budget adjustment in the FY 2022/23 Fire Stations and Facilities Fund (123) to adjust expenditures by \$20,162,709.
4. Approve a budget adjustment in the FY 2022/23 Communications and Information Systems Fund (124) to adjust expenditures by \$2,557,847.
5. Approve a budget adjustment in the FY 2022/23 Fire Apparatus Fund (133) to adjust expenditures by \$2,113,000.
6. Approve a budget adjustment in the FY 2022/23 Settlement Agreement Fund (139) to adjust expenditures by \$1,500,000.
7. Approve a budget adjustment in the FY 2022/23 Structural Fire Entitlement Fund (171) to adjust expenditures by \$4,301,785.

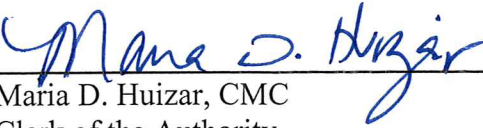
REPORTS

No items.

COMMITTEE MEMBER COMMENTS (FILE 12.02B4)

Director Hernandez thanked Fire Chief Fennessy and OCFA members who participated in the Nixon Library 9-11 Memorial Event which, he noted is always very moving, and it was clear that OCFA was there in force; they did a great job. He also thanked Chief Fennessy for remarks he offered at the event which were emotional, and heart felt, along with those of Sheriff Don Barnes.

ADJOURNMENT – Chair Ta adjourned the meeting at 1:22 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, October 12, 2022, at 12:00 p.m.



Maria D. Huizar, CMC
Clerk of the Authority