



# ORANGE COUNTY FIRE AUTHORITY

## BOARD OF DIRECTORS Special Meeting Agenda

Thursday, February 27, 2025  
6:00 P.M.

Orange County Fire Authority  
Regional Fire Operations and Training Center  
Board Room  
1 Fire Authority Road  
Irvine, CA 92602

Link to:

[Board of Directors Member Roster](#)

### NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

This meeting is open to the public. Board members will participate in person. There are several alternative ways to make comments including:

**In Person Comments at Meeting:** 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, upon request.

Any member of the public may address the Board items 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.

If you wish to speak, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to item being considered. Speaker Forms are available at the entryway of meeting location.

**E-Comments:** Alternatively, you may email your written comments to [coa@ocfa.org](mailto:coa@ocfa.org). E-comments will be provided to the Board members upon receipt and will be part of the meeting record as long as they are received during or before the Board acts on an item. Emails related to an item that are received after the item has been acted upon by the Board will not be considered.

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 members 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 and [Board of Directors policy](#), if you need reasonable accommodations to participate in this meeting, please complete the [ADA Reasonable Accommodation Form](#) available on the Agency's website and email to [COA@ocfa.org](mailto:COA@ocfa.org), or you may contact the Clerk of the Authority at (714) 573-6040 during regular business hours to submit your request orally. Please notify us at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

**CALL TO ORDER** by Chair Bacerra

**INVOCATION** by OCFA Chaplain Brett Peterson

**PLEDGE OF ALLEGIANCE** by Vice Chair Kalmick

**ROLL CALL** by Clerk of the Authority

**REPORTS**

None.

**PUBLIC COMMENTS**

Please refer to instructions on how to submit a public comment on Page 1 of this Agenda.

**1. PRESENTATIONS**

None.

**2. CONSENT CALENDAR**

*All matters on the consent calendar are considered routine and are to be approved with one motion unless a director or a member of the public requests separate action on a specific item.*

**A. Committee Member Roster for 2025 and Ratification of Appointments to Executive Committee**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Maria Huizar, Clerk of the Authority

Recommended Actions:

1. Receive and file the Committee Member Roster for 2025.
2. Confirm the appointments of the Executive Committee and Alternate members, as required in Rule 9(b) of the Board of Directors Rules of Procedure.

**3. DISCUSSION CALENDAR**

**A. Approval of Side Letter Agreement to Memorandum of Understanding Orange County Fire Authority Managers Association and Amendments to the Personnel & Salary Resolution**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Department and Lori Zeller, Deputy Chief/Administration & Support Bureau

Recommended Actions

1. Approve and authorize staff to execute the proposed Side Letter Agreement to the 2023-2027 MOU between the Orange County Fire Authority and the Orange County Fire Authority Managers Association.
2. Review and approve the amendments to the Personnel & Salary Resolution Part 3, Article 1, Section 15 Retiree Medical Insurance Grant.
3. Review and approve the amendments to the Personnel & Salary Resolution Part 3, Article 1, Section 16 Defined Contribution Retiree Medical Plan.

**B. Renewal of Health Plan Agreement Orange County Professional Firefighters Association**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Department and Lori Zeller, Deputy Chief/Administration & Support Bureau

Recommended Action:

Approve the Health Plan Agreement between the Orange County Fire Authority and the Orange County Professional Firefighters Association for a term of March 1, 2025 to March 1, 2028.

**BOARD MEMBER COMMENTS**

**RECESS TO CLOSED SESSION**

*The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The Board of Directors find, based on advice from the General Counsel, that discussion in open session of the following matter will prejudice the position of the Authority on item listed below:*

**CS1. CONFERENCE WITH LEGAL COUNSEL – POSSIBLE INITIATION OF LITIGATION** pursuant to paragraph (4) of subdivision (d) of Section 54956.9 of the Government Code: One (1) Case

**CS2. CONFERENCE WITH LABOR NEGOTIATORS** pursuant to Government Code Section 54957.6

Negotiators: Peter Brown, Liebert Cassidy Whitmore and Stephanie Holloman, Assistant Chief/Human Resources Director

Employee Organization: Orange County Fire Authority Managers Association (OCFAMA)

Employee Organization: Orange County Professional Firefighters Association, IAFF - Local 3631

**RECONVENE TO OPEN SESSION**

**CLOSED SESSION REPORT**

**ADJOURNMENT** – The next regular meeting of the Orange County Fire Authority Board of Directors will be on Thursday, March 27, 2025, at 6:00 p.m.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54956, that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 24 hours prior to the meeting.

\_\_\_\_\_  
Maria D. Huizar, CMC  
Clerk of the Authority

**FUTURE BOARD AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- CIP Prefunding
- Standards of Coverage
- Wildfire Awareness Proclamation
- 2024/25 Mid-Year Budget Adoption
- Annual Long Term Liability Report
- 2025/26 Budget Adoption
- Fiscal Year 2023/24 Backfill/Overtime and Calendar Year 2024 Earnings Report

**UPCOMING MEETINGS:**

Budget and Finance Committee	Wednesday, March 12, 2025, 12 noon
Legislative & Public Affairs Committee	Wednesday, March 19, 2025, 12 noon
Executive Committee	Thursday, March 27, 2025, 5:30 p.m.
Board of Directors	Thursday, March 27, 2025, 6:00 p.m.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Board of Directors Meeting  
February 27, 2025

Agenda Item No. 2A  
Consent Calendar

**Committee Member Roster for 2025 and  
Ratification of Appointments to Executive Committee**

---

**Contact(s) for Further Information**

Robert C. Cortez, Assistant Chief                      [robertcortez@ocfa.org](mailto:robertcortez@ocfa.org)                      714.573.6012  
Business Services Department

Maria D. Huizar, Clerk of the Authority              [mariahuizar@ocfa.org](mailto:mariahuizar@ocfa.org)                      714.573.6041

**Summary**

This agenda item is submitted to ratify the Board Chair appointments to the Executive Committee and receive and file the Committee Member Roster for 2025.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

1. Receive and file the Committee Member Roster for 2025.
2. Confirm the appointments of the Executive Committee and Alternate members, as required in Rule 9(b) of the Board of Directors Rules of Procedure.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

The Executive Committee, as defined by Rule 9(b) of the Board of Directors Rules of Procedure, consists of no more than nine (9) members of the Board of Directors that shall serve until a new member is seated in their stead by virtue of appointment or assumption of one of the designated positions. The Executive Committee membership is comprised of the following designated positions:

- the Chair and Vice Chair of the Board of Directors,
- the immediate past Chair of the Board,
- the Chair of the Budget and Finance Committee, and
- up to five at-large members, who must include at least one member of the County Board of Supervisors.

In the selection of at-large members, appointments shall be made in such a manner as to achieve approximately the ratio of cash contract cities to total member agencies of the Authority.

The Chair of the Board makes at-large appointments to the Executive Committee to fill any vacancies, subject to ratification by the Board of Directors. At its January 23, 2025, Board of Directors meeting, the Board elected Director Bacerra (Santa Ana) as Chair and Director Kalmick (Seal Beach) as Vice Chair. The Chair and Vice Chair will fill those respective seats on the Executive Committee.

Also, at its February 11, 2025, meeting, the Budget and Finance Committee elected Director Lombard (Tustin) as its new Chair and will serve as that representative.

County of Orange Director Donald P. Wagner will remain on the Executive Committee. Director Wagner will represent the County as its At-Large Member, with Director Foley serving as its Alternate.

Therefore, pursuant to Rule 9 of the OCFA Board of Directors Rules of Procedures, and subject to the confirming vote by the Board of Directors, the membership of the Executive Committee as appointed by Chair Bacerra is as follows:

Executive Committee (9 Members)

Phil Bacerra, Santa Ana *	Chair of the Board of Directors
Joe Kalmick, Seal Beach *	Vice Chair of the Board of Directors
Austin Lombard, Tustin *	Chair of the Budget and Finance Committee
David Shawver, Stanton *	Immediate Past Chair
Donald P. Wagner, County Board of Supervisors	At-Large County Member
Shelley Hasselbrink, Los Alamitos	At-Large Member
Nitesh Patel, La Palma	At-Large Member
Joshua Sweeney, Laguna Hills	At-Large Member
Kelly Jennings, Laguna Niguel	At Large Member

Executive Committee Alternate Members (7 Members)

Katrina Foley, County Board of Supervisors	County Member
David Burke, Cypress	Structural Fire Fund City
Bob Ruesch, Mission Viejo	Structural Fire Fund City
Tara Campbell, Yorba Linda	Structural Fire Fund City
Connor Traut, Buena Park *	Cash Contract City
Chi Charlie Nguyen, Westminster *	Cash Contract City
George Brietigam, Gaden Grove *	Cash Contract City

Furthermore, Rule 10(b)(1) and 10(c)(1) of the Board of Directors Rules of Procedure, allows the Chair of the Board of Directors to make all appointments to the Budget and Finance, Human Resources Committees, Operations Committee and the Legislative & Public Affairs Committee. Appointments to said committees shall be made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing Structural Fire Fund and Cash Contract cities.

The following members have been appointed by Chair Bacerra and will serve on the committees for the ensuing year:

Budget and Finance Committee

(Up to 9 members)

1. Austin Lumbard, Tustin \*
2. Chi Charlie Nguyen, Westminster \*
3. Connor Traut, Buena Park \*
4. David Burke, Cypress
5. Joshua Sweeney, Laguna Hills
6. Katrina Foley, County
7. Mike Munzing, Aliso Viejo
8. Nitesh Patel, La Palma
9. Shelley Hasselbrink, Los Alamitos

Human Resources Committee

(Up to 7 members)

1. George Brietigam, Garden Grove \*
2. Joe Kalmick, Seal Beach \*
3. Joshua Sweeney, Laguna Hills
4. Mike Frost, Dana Point
5. Mike Munzing, Aliso Viejo
6. Nitesh Patel, La Palma
7. Victor Cabral, San Clemente \*

Operations Committee

(Up to 7 Members)

1. Bob Ruesch, Mission Viejo
2. Connor Traut, Buena Park \*
3. George Brietigam, Garden Grove \*
4. Joe Kalmick, Seal Beach \*
5. Robert Frackelton, Villa Park
6. Shari Horne, Laguna Woods
7. Tara Campbell, Yorba Linda

Legislative & Public Affairs Committee

(Up to 7 Members)

1. Chi Charlie Nguyen, Westminster \*
2. David Burke, Cypress
3. Donald P. Wagner, County
4. Katrina Foley, County
5. Kelly Jennings, Laguna Niguel
6. Phil Bacerra, Santa Ana \*
7. Victor Cabral, San Clemente \*

Capital Improvement Projects Ad Hoc

(5 Members)

1. Joe Kalmick, Seal Beach \*
2. Katrina Foley, County of Orange
3. Shelley Hasselbrink, Los Alamitos
4. Tara Campbell, Yorba Linda
5. Victor Cabral, San Clemente \*

\* = Cash Contract City

**Attachment(s)**

None.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Board of Directors Meeting  
February 27, 2025

Agenda Item No. 3A  
Discussion Calendar

**Approval of Side Letter Agreement to Memorandum of Understanding  
Orange County Fire Authority Managers Association and Amendments to the  
Personnel & Salary Resolution**

---

**Contact(s) for Further Information**

Stephanie Holloman, Assistant Chief [stephanieholloman@ocfa.org](mailto:stephanieholloman@ocfa.org) 714.573.6353  
Human Resources Department

Lori Zeller, Deputy Chief [lorizeller@ocfa.org](mailto:lorizeller@ocfa.org) 714.573.6020  
Administration & Support Bureau

**Summary**

This item is submitted for approval of a Side Letter Agreement (SLA) to the 2023-2027 Memorandum of Understanding (MOU) between the Orange County Fire Authority and the Orange County Fire Authority Managers Association (OCFAMA) and approval of Amendments to the Personnel and Salary Resolution.

**Prior Board/Committee Action**

Closed session discussions were completed with the Board of Directors during the Board's regular meeting of January 23, 2025.

**RECOMMENDED ACTION(S)**

1. Approve and authorize staff to execute the proposed Side Letter Agreement to the 2023-2027 MOU between the Orange County Fire Authority and the Orange County Fire Authority Managers Association.
2. Review and approve the amendments to the Personnel & Salary Resolution Part 3, Article 1, Section 15 Retiree Medical Insurance Grant.
3. Review and approve the amendments to the Personnel & Salary Resolution Part 3, Article 1, Section 16 Defined Contribution Retiree Medical Plan.

**Impact to Cities/County**

N/A

**Fiscal Impact**

N/A

**Background**

The Meyers-Milias-Brown Act provides for recognized employee organizations to meet with employers and represent public employees through the meet and confer process in matters relating to hours, wages and working conditions. Once agreement is reached, both parties jointly prepare a written MOU, which is presented to the governing body for approval. During the term of the MOU, changes approved by both parties may be memorialized through a Side Letter Agreement detailing those MOU terms which are being modified, or other terms of agreement.



### **Health Reimbursement Account**

OCFAMA has requested consideration of an amendment to a term defined in the 2023-2027 MOU. The requested amendment is detailed in the attached Side Letter Agreement, and summarized below:

Health Reimbursement Account: Effective April 4, 2025, the required employee contribution to the Plan will be reduced from 4% to 3% for all bargaining unit members hired on or after January 1, 2007.

### **Amendments to the Personnel and Salary Resolution**

If the Side Letter Agreement with OCFAMA is approved by the Board, staff recommends review and approval of amendments to the Personnel & Salary Resolution (P&SR) as detailed in the attached redline to the P&SR.

The P&SR defines the salary and benefits for the Executive Management unit. Currently, Part 3, Article 1, Section 15 – Retiree Medical Insurance Grant, indicates that the provisions that apply to the Administrative Managers shall also apply to the Executive Management unit hired before January 1, 2007. The P&SR is silent as to the Defined Contribution Retiree Medical Plan that applies to employees hired on or after January 1, 2007.

The proposed amendments to the P&SR would dissociate the OCFAMA unit from the Executive Management unit, reflecting the negotiated change to the plan for OCFAMA members. The proposed amendments to the P&SR would maintain the current 4% employer contribution to the Executive Management unit. Lastly, it will also add Part 3, Article 1, Section 16 – Defined Contribution Retirement Medical Plan, defining the plan benefit for Executive Management employees hired on or after January 1, 2007.

Attachments:

Proposed Side Letter Agreement – OCFAMA Health Reimbursement Account

Proposed Personnel & Salary Resolution

*(Note: The Side Letter Agreements have been posted on OCFA's website in compliance with the Board's seven day posting requirement for labor documents and are also on file in the Office of the Clerk.)*

**SIDE LETTER OF AGREEMENT  
BETWEEN  
ORANGE COUNTY FIRE AUTHORITY  
AND  
ORANGE COUNTY FIRE AUTHORITY MANAGERS ASSOCIATION**

This Side Letter of Agreement between the Orange County Fire Authority and the Orange County Fire Authority Managers Association (“OCFAMA”), (collectively, “Parties”) is entered into with respect to the following:

**WHEREAS**, the Parties are subject to a Memorandum of Understanding (“MOU”) in effect for the period of June 23, 2023 through June 22, 2027; and

**WHEREAS**, OCFAMA has requested to modify its members’ payroll contributions to the Defined Contribution Retiree Medical Plan (commonly referred to as the “Health Reimbursement Account” or “HRA”).

**THEREFORE**, the Parties hereby agree to the following:

Article III, Section 2.E of the MOU is amended as shown by the track changes set forth below.

**E. Defined Contribution Retiree Medical Plan**

1. The Authority will provide employees hired on or after January 1, 2007, a "defined contribution" plan.
2. These employees are required to contribute four percent (4%) of base salary to this plan.
3. **Effective April 4, 2025 (pay period #9), the required contribution to the Plan for eligible employees in the bargaining unit will be reduced to three percent (3%) of base salary. These employees will not be permitted to contribute more than three percent (3%) of base salary towards the Plan.**
- ~~3.~~ 4. Employees hired before January 1, 2007, shall not be eligible to participate in this plan. Eligibility for plan participation is based on the employee’s most recent date of hire with the Authority.

**ORANGE COUNTY FIRE AUTHORITY**

**ORANGE COUNTY FIRE AUTHORITY  
MANAGERS ASSOCIATION**

\_\_\_\_\_  
Lori Zeller  
Deputy Chief, Administration & Support Bureau

\_\_\_\_\_  
Duke Steppe  
OCFAMA President

---

Stephanie Holloman  
Assistant Chief/Human Resources

---

Brad Stephens  
OCFAMA Vice President

---

Date

---

Date

**PERSONNEL  
AND  
SALARY RESOLUTION**

**ORANGE COUNTY FIRE AUTHORITY**

**Revisions Approved by the Board of Directors**

**~~November 16, 2023~~ February 27, 2025**

**Effective ~~November 17, 2023~~ April 4, 2025**

**(Amendments to Part 3, Section ~~6(B15~~ and 16))**

**Section 12. Retirement Formula – 2.7% at 55 (Non-Safety Employees Hired Prior to December 1, 2012)**

- A. The Authority shall continue the 2.7% at 55 retirement formula for active non-safety employees who were hired prior to December 1, 2012.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions. The deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 13. Retirement Formula – 2% at 55 (Non-Safety Employees Hired From December 1, 2012 Through December 31, 2012 or Employees Hired On or After January 1, 2013 With Reciprocal Retirement Benefits)**

- A. The Authority shall continue the 2% at 55 retirement formula for active non-safety employees who were hired from December 1, 2012 through December 31, 2012 or hired on or after January 1, 2013 and have established reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 31676.12.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions. This deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 14. Retirement Formula – 2.5% at 67 (Non-Safety Employees Hired On or After January 1, 2013 With No Reciprocal Retirement Benefits)**

- A. \_\_\_\_\_ The Authority shall continue the 2.5% at 67 retirement formula for active non-safety employees who were hired on or after January 1, 2013 and do not establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 7522.20. Effective upon employment by the Authority, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to 50% of the normal retirement cost toward the employee's retirement contribution. This deduction shall continue during the employee's employment period and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 15. Retiree Medical Insurance Grant**

- A. The Authority will provide employees hired before January 1, 2007. a Retiree Medical Insurance Grant plan, which will also be referred to as a "defined benefit plan".

B. Upon paid Authority retirement, an eligible retiree who has enrolled in a "qualified health plan" (as defined in the Plan) or in Medicare as stated in the Plan and required by the "qualified health plan," shall receive a Retiree Medical Insurance Grant.

C. An eligible former employee who terminated from Authority service prior to retirement, who is fifty-five (55) years of age or older and who is enrolled in a recognized health plan or Medicare as stated in the Plan and required by the "recognized health plan," shall receive a Retiree Medical Insurance Grant.

D. The Retiree Medical Insurance Grant may be applied only towards the cost of retiree and dependent coverage in a "qualified health plan", as reimbursement for a portion of the cost of eligible former employee and dependent coverage in a recognized health plan and/or Medicare premiums as provided in this Section.

1. Effective January 1, 2023, the Retiree Medical Insurance Grant shall be an amount based on thirty-one dollars and seventy-seven cents (\$31.77) per month for each full year of service to a maximum of seven hundred ninety four dollars and twenty-five cents (\$794.25) per month. On January 1 of each calendar year the amount of such Retiree Medical Insurance Grant shall be adjusted by the average percentage increase in Authority health plan premiums no later than the effective dates of such increase, not to exceed five percent (5%) per year. In no case shall the Retiree Medical Insurance Grant exceed the actual cost of the health insurance and/or Medicare premiums.

2. All employees who retire from the Authority and become eligible for a Retiree Medical Insurance Grant shall be provided a one (1) time opportunity of at least thirty (30) days to enroll in an Authority "qualified health plan," and shall have ninety (90) days after attaining age sixty-five (65) to enroll in Medicare. Should a retiree fail to enroll in either a "qualified health plan" or Medicare during the aforementioned periods or should they terminate coverage or fail to make necessary payments, the retiree and dependents shall forfeit any right to a Retiree Medical Insurance Grant.

3. All former employees who did not retire from the Authority and who are eligible for a Retiree Medical Insurance Grant shall not receive the Grant until such employees reach age fifty-five (55) and request the Authority to commence distribution of the Grant no later than ninety (90) days from the former employee's fifty-fifth (55th) birthday. Upon such request, the eligible former employees must show proof of enrollment in a recognized health plan. A reimbursement for a portion of the cost of premiums will be provided to the eligible former employees in accordance with the Retiree Medical Plan provisions. The eligible former employees will be required to provide the Authority with a copy of the premium bill and cancelled check or other recognized proof of payment for reimbursement.

E. Eligibility Requirements for Retiree Medical Insurance Grant

1. Retirees must be actively retired from the Authority and receiving a monthly retirement allowance from the Orange County Employees Retirement System (OCERS). An eligible former employee must be at least age fifty-five (55) and enrolled in a recognized health plan.

2. A retiree or eligible former employee must have retired or terminated employment with the Authority with at least one (1) year of service (2,080 hours), except as provided in Sections E.2 of this Section.

i. A retiree of the Authority who receives a service-connected disability retirement from OCERS shall be eligible for a Retiree Medical Insurance Grant equal to either ten (10) years of service or actual years of service, whichever is greater.

ii. A retiree who receives a non-service connected disability retirement shall be eligible for a Retiree Medical Insurance Grant based on actual years of service.

iii. A separated employee who is less than fifty-five (55) years of age or is under normal retirement age who has requested a service or non-service connected disability retirement shall not be eligible to receive the Retiree Medical Insurance Grant until a determination of disability status is made by the Board of Retirement.

3. All eligible retirees, eligible former employees and enrolled dependents who are age sixty-five (65) or older must be enrolled in Medicare Part B in order to be eligible for the Retiree Medical Insurance Grant. All eligible retirees, eligible former employees and dependents who are entitled to Medicare Part A coverage without a premium must be enrolled in Medicare Part A to be eligible to receive the Retiree Medical Insurance Grant.

#### 4. Deferred Retirement

i. An employee who, upon separation from the Authority, is eligible for paid retirement and elects deferred retirement must defer participation in the Retiree Medical Insurance Grant until such time as they become an active retiree. However, in order to be eligible for health care coverage provided by CalPERS, retirement must not be deferred for more than one hundred twenty (120) days after the employee separates from Authority Service.

ii. An employee with at least one (1) year of service (2,080 hours), who is not eligible for paid retirement at the time they separate from Authority service and elects deferred retirement status shall not become eligible for participation in the Retiree Medical Insurance Grant until they become fifty-five (55) years of age.

5. For purposes of this Section, a full year of service shall mean those regular hours of service the employee worked as a regular, limited-term and/or probationary employee. Two thousand eighty (2,080) regular hours, shall equal one (1) full year of service.

#### F. Employee Contribution

All employees hired before January 1, 2007, shall contribute four percent (4%) of their base salary, through payroll deduction to the Authority, to be applied to the Plan.

#### G. Survivor Benefits

1. A surviving dependent who qualifies for a monthly retirement allowance shall be eligible for fifty percent (50%) of the Retiree Medical Insurance Grant authorized for the retiree.
2. A surviving eligible retiree or eligible former employee who qualifies for a monthly retirement allowance and who was married to a retiree or eligible former employee who was also eligible for a Retiree Medical Insurance Grant shall receive the survivor benefit described in Section G.1 of this Section, or their own Retiree Medical Insurance Grant, whichever is greater. Such retiree shall not be eligible for both Retiree Medical Insurance Grants.

~~All provisions that apply to Administrative Management shall also apply to Executive Management.~~

#### Section 16. Defined Contribution Retiree Medical Plan

- A. The Authority will provide employees hired on or after January 1, 2007, a "defined contribution" plan.
- B. These employees are required to contribute four percent (4%) of base salary to this plan.
- C. Employees hired before January 1, 2007, shall not be eligible to participate in this plan. Eligibility for plan participation is based on the employee's most recent date of hire with the Authority.





**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Board of Directors Meeting**  
**February 27, 2025**

**Agenda Item No. 3B**  
**Discussion Calendar**

**Renewal of Health Plan Agreement**  
**Orange County Professional Firefighters Association**

---

**Contact(s) for Further Information**

Stephanie Holloman, Assistant Chief      [stephanieholloman@ocfa.org](mailto:stephanieholloman@ocfa.org)      714.573.6353  
Human Resources Department

Lori Zeller, Deputy Chief      [lorizeller@ocfa.org](mailto:lorizeller@ocfa.org)      714.573.6020  
Administration & Support Bureau

**Summary**

This item is submitted for approval of a renewed Health Plan Agreement (Agreement) with the Orange County Professional Firefighters Association (OCPFA), Local 3631.

**Prior Board/Committee Action**

Not applicable.

**RECOMMENDED ACTION(S)**

Approve the Health Plan Agreement between the Orange County Fire Authority and the Orange County Professional Firefighters Association for a term of March 1, 2025 to March 1, 2028.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

The renewed Health Plan Agreement holds health care costs will be flat through March 1, 2028.

**Background**

The OCPFA has managed comprehensive health benefits (medical, dental, vision, life, and disability) for its members since 1998 through an Agreement between OCFA and the OCPFA. The Agreement provides for monthly premium payments made by OCFA into an OCPFA-managed Health Care Trust (Trust) for active employees. OCPFA retains a third-party administrator to deliver the benefits, and the OCFA uses an independent auditor to verify annual compliance with the Agreement.

The current Health Plan Agreement does not expire until June 30, 2026; however, the Board of Directors authorized a reopener in response to the OCPFA's request to negotiate modified terms. These negotiations are complete and we have reached tentative agreement with OCPFA, Local 3631. The proposed Health Plan Agreement is attached, and the key terms are as follows:

- Term: March 1, 2025 through March 1, 2028

- Contributions: No increases in OCFA contributions to the Trust through duration of the Agreement
- Fund Balance: Language pertaining to the maximum fund balance that may be retained in the Trust is eliminated, along with provisions which would return excess funds to the Authority for application towards the Retiree Medical unfunded liability
- Use of Funds: Provisions which previously defined the approved categories for which the OCFA's contributions to the Healthcare Trust could be used are removed

**Attachment(s)**

Proposed redlined version (Attachment 1) and clean version (Attachment 2) of Health Plan Agreement between the Orange County Fire Authority and the Orange County Professional Firefighters Association

*(Note: The attachment has been posted on OCFA's website in compliance with the Board's seven day posting requirement for labor documents and is also on file in the Office of the Clerk.)*

**HEALTH PLAN AGREEMENT**  
**by and between**  
**The Orange County Fire Authority**  
**and**  
**The Orange County Professional Firefighters Association, Local 3631**

IN CONSIDERATION OF the mutual covenants, promises and conditions set forth herein below and pursuant to Article XIII, Section I, of the Parties' 2023-2027 Memorandum of Understanding (MOU), the Orange County Fire Authority ("Authority") and Orange County Professional Firefighters Association, Local 3631 ("OCPFA") agree as follows:

1. The term of this Agreement shall begin on March 1, 2025~~January 1, 2023~~ and will terminate at 12:00 a.m. on March 1, 2028~~June 30, 2026~~.

~~2. Employees' required contributions towards health plan premiums shall be determined by OCPFA, but shall not fall below the percentage of employee contributions in effect in 2008 for Kaiser coverage and Blue Cross coverage unless, to the extent that the Affordable Care Act (ACA) is still the law, such employee contribution must fall below such threshold in order to meet the ACA's affordability threshold under the Federal Poverty Line Safe Harbor. This means that the employee's required contribution toward premiums for the lowest cost plan that offers minimum essential coverage shall not exceed 9.12% (or the applicable percentage set by the ACA for the year) of the monthly Federal Poverty Line for a single individual that is in effect during the six months prior to the start of the plan year. (For example, in 2023 the monthly Federal Poverty Line for a single individual is \$1,132.50; 9.12% of \$1,132.50 is \$103.28. This means that an employee's required contribution toward the lowest cost plan for 2023 must not exceed \$103.28.)~~ For employees who are on approved Family Leave pursuant to the Parties' MOU and applicable law, the OCPFA shall continue to pay health insurance premiums to the same extent the Authority would be required under applicable law or as long as the employee is considered full-time for IRS' ACA reporting by the Authority.

Employee contributions towards health plan premiums shall be determined by OCPFA and comply with the affordability guidelines established by the Affordable Care Act (ACA), including Federal Poverty Line Safe Harbor thresholds. The employee's required contribution toward premiums for self-only coverage for the lowest cost plan providing minimum essential coverage shall not exceed the percentage established by the ACA for the applicable year. OCPFA will ensure annual updates to these thresholds.

2.3. The Authority shall contribute to an OCPFA medical benefit trust fund the following amounts for provision and administration of health and related benefits:

The Authority shall contribute toward health benefits, including medical, dental, vision, and at OCPFA's sole discretion, may also include life, disability insurance ~~and wellness (as specifically defined below) benefits, wellness, other health benefits, health and/or wellness facility operation, and Trust administration costs as approved by OCPFA.~~ The contribution amount shall be \$2,199.49 per month effective March 1, 2025~~January 1, 2023~~ for each "actively employed" enrollee member of the Firefighter Bargaining Unit.

- a. "Actively employed" for purposes of this Agreement is an employee who is receiving their base salary, is using accrued paid leave, receiving benefits pursuant to Labor Code section 4850, or is on an approved leave per this MOU or the law. If an employee is deemed permanently unable to perform the essential functions of the job, upon application for disability retirement, either by the employee or the Authority, an employee will no longer be considered actively employed and may apply for

service retirement allowance pending the determination of their entitlement to disability retirement. In the event the employee's disability retirement application is denied because the employee's medical condition does not qualify them for a disability retirement (not for failure to cooperate in the disability retirement application process as determined by OCERS) the employee shall be restored as an active employee. Nothing in this agreement shall preclude an employee from receiving the benefits of this agreement if they are otherwise entitled to them under existing state or federal law.

- b. Employees are not entitled to cash out any of the \$2,199.49 per month.
- c. OCPFA shall ensure that for purposes of the ACA's affordability determination, the portion of the \$2,199.49 that makes the lowest cost plan affordable under the Federal Poverty Line Safe Harbor is applied only to health premiums and cannot be applied to life or disability insurance.
- d. If any payment due under this Agreement is not received by the 10<sup>th</sup> of each month, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio.
  - i. To demonstrate how this calculation would function if we had applied the above referenced ten (10) time multiplier to the January 9, 2025 "good faith" payment that Authority issued to OCPFA for a 13-day delay in payment to the Fund, that \$3,001.96 payment would, under this new provision, now be calculated as ten (10) times that amount, or \$30,019.60.
- e. This penalty interest shall be calculated from the due date (the 10<sup>th</sup> of the month) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph f. below.
- f. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date.
  - i. Notice can be given by either party, but must be given to the Assistant Chief of Business Services. For example, notice could be given by OCPFA to the Assistant Chief of Business Services, or notice could be given by any Authority employee to the Assistant Chief of Business Services.

3.4. OCPFA shall maintain a medical benefit trust fund ~~for the sole~~(the "Fund") that shall be administered by medical benefit trustee(s) designated by OCPFA, for the main purpose of providing ~~health~~medical/dental/disability and wellness (as specifically defined below) benefit plans, which may include medical prescriptions, vision care, life and/or disability insurance, ("Health Benefit Plans")~~vision health benefits insurance and possible additional health and/or wellness OCPFA benefits~~, for "actively employed" enrollee members and retirees in the Firefighters' Unit. ~~Said medical benefit trust fund shall be administered by medical benefit trustee(s) designated by OCPFA. Funds in said medical benefit trust shall not be co-mingled with other OCPFA funds~~The Fund shall strive to provide additional disability and wellness benefits, which may include any wellness and other medical benefits as approved by the OCPFA Fund trustee(s). Assets in the Fund shall not be utilized to cover other OCPFA costs not associated with health and wellness or the administration of non-health and wellness benefits. It is intended that the administration of the ~~Health and Wellness Benefit Plans by the trust fund~~ health and wellness benefits offered by the Fund shall not survive the expiration of this Agreement without mutual written consent of the Parties.

~~The wellness benefit that this Agreement permits the funds to be used for is limited to the following:~~

~~a. **Blood Cancer Screening Testing:**~~

~~Blood cancer screening testing will be made available for each actively employed enrollee member and retired firefighter participating in the group medical plan. The cost of screening shall not exceed \$750 per person, and can be used as follows:~~

~~This benefit is not available to employees or retirees below the age of 18;~~

~~This benefit can be used a maximum of once every three calendar years for employees or retirees between the ages of 18 and 39;~~

~~This benefit can be used a maximum of once every two calendar years for employees or retirees between the ages of 40 and 49;~~

~~This benefit can be used a maximum of one time per calendar year for employees or retirees age 50 and over.~~

~~The OCFPA will research programs to determine if alternative plans are available to help reduce future cost of the screenings.~~

~~b. **WEFIT Exams:**~~

~~Wellness and Fitness (WEFIT) exams that are currently available to each actively employed enrollee member in the Firefighters' Unit will transition to be funded and administered by this Agreement, effective July 1, 2023, under the following conditions:~~

~~The OCFA's comprehensive "WEFIT Program" includes many additional program elements beyond the WEFIT exams, and which remain under administration by OCFA. Examples of these additional program elements which remain under administration by OCFA include but are not limited to, fitness, injury and medical rehabilitation, behavioral health, and immunizations. The only portion of the WEFIT Program which is transitioning for administration by OCPFA per this Agreement is the WEFIT exams, as further detailed below.~~

~~WEFIT exams shall continue to be subject to all terms and conditions specified in Appendix D of the Parties' MOU, titled "WEFIT Program."~~

~~The WEFIT exam components shall remain unchanged for the duration of this Health Plan Agreement, as specified in the OCFA Hoag contract in effect on July 1, 2023, unless changes are authorized through the WEFIT Oversight Committee (Appendix D of the Parties' MOU).~~

~~The amount charged to the OCPFA health benefit trust for WEFIT exams shall not exceed the combined value of the following:~~

- ~~i. the cost per exam as specified in the OCFA Hoag contract in effect on July 1, 2023, and as evidenced by invoices subject to verification during the annual audit; and,~~
- ~~ii. the cost for future price escalators per the OCFA Hoag contract in effect on July 1, 2023; and,~~
- ~~iii. the actual cost (not to exceed \$750 per person) for Blood Cancer Screening Testing, as specified in Section 4.a of this Agreement.~~

~~Aggregate WEFIT Reports: Per Appendix D of the Parties' MOU, aggregate physical examination and fitness testing data will be provided to the OCFA and OCPFA in accordance with the WEFIT initiative.~~

~~Administration of WEFIT Exams: Eligible administrative costs that may be charged to the OCPFA health benefit trust in connection with OCPFA's administration of WEFIT exams are limited to the actual costs for a WEFIT Exam Scheduler, as evidenced by invoices subject to verification during the annual audit, not to exceed \$44,350 per year.~~

~~4. OCFA shall reduce future monthly contributions towards health benefits for any excess fund balance being held in the Trust (excluding the 1% Supplemental Benefit Investment Account) as of December 31. "Excess fund balance" shall be defined as any amount that exceeds four times the total insurance premiums minus the employee's share of the premium contribution paid for the month of December (per the OCPFA Premium Accounting for December 1) for the year just ended. The amount of the "excess fund balance" shall be determined following completion of the annual audit conducted by OCFA's auditors of the OCPFA Medical Benefit Trust. Once the "excess fund balance" is determined for the prior calendar year, the OCFA shall reduce its monthly contribution for the next six months by one-sixth of the "excess fund balance". The application of these reductions for "excess fund balance" will begin to occur 30 days after completion of the final audit report (e.g., if the determination of the "excess fund balance" occurs in February, then starting in March). In addition, OCFA agrees to contribute an amount equal to the "excess fund balance" from the prior calendar year to the OCFA's Retiree Medical Trust Fund on deposit with, and administered by, OCERS.~~

5. The Health Benefit Plans (medical, dental and vision) provided through the ~~medical benefit trust fund~~Fund shall be made available by ~~OCPFA~~the Fund to all employees in the representation unit and retirees of the representation unit ~~on an equal basis regardless of membership status~~. Employees must sign a written authorization for deductions. Annual predetermined rate increases shall be automatically adjusted with the approval of OCPFA, without a requirement for new payroll deduction forms.

a. The Authority shall transfer the share of member healthcare premiums which are deducted through payroll contributions within two (2) business days following the payroll deduction. If any payment due under this paragraph 5.a is not received within two (2) business days of payroll deduction, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio. This penalty interest shall be calculated from the due date (the 2<sup>nd</sup> business day following payroll deductions) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph b. below.

b. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date. (Refer to paragraph 3.f.i for details about notice).

a-c. In addition to all OCPFA "actively employed" enrollee members and retirees, Health Benefit Plans provided through the medical benefit trust shall also be made available to former Fire Department employees who transitioned to the OCFA and retired from California Public Employees' Retirement System (CALPERS) greater than 120 days (about 4 months) from separation from their former Fire Department. These transitioned employees are not eligible for retiree health care benefits from a CALPERS administered plan; therefore, upon separation from ~~Authority~~OCFA, these retirees will be considered eligible for enrollment for retiree health benefits (health,

dental, and vision insurance) from a plan administered by the OCPFA medical benefit trust. The Authority~~OCFA~~ shall not incur any costs as a result of this Section 5.c6.a. and this Section shall only apply to employees within the OCPFA bargaining group.

~~6.—The level of benefits for each type of plan shall be substantially similar to those provided by the Authority for employees not in the Firefighters’ Bargaining Unit during the 12-month period immediately preceding this Agreement.~~

~~7.6. Health Benefit Plans must receive prior approval from the Assistant Chief/Human Resources Director or designee whose approval shall not be unreasonably withheld.~~ Group policies must be designated as such in the California Insurance Code and issuance must be lawful in this state. OCPFAThe Fund shall offer health plans that constitute minimum essential coverage and provide minimum value under the ACA’s employer shared responsibility provisions. OCPFAThe Fund shall not offer reimbursement of premiums for health coverage obtained through Covered California, as this constitutes an impermissible employer payment plan under the ACA.

8.7. Retiree-Only Benefit: Retirees who move out of the group plan area and, therefore, may not be eligible to participate in the group plans, may enroll in an alternative minimum essential coverage plan. Retirees in such individual plans are eligible for retiree medical grant funding under the same conditions as applied to group plan members (the OCPFA/Authority~~OCFA~~ sponsored plan), provided that they submit a valid proof of payment, i.e. payroll stub showing payroll deduction for insurance or a copy of an insurance invoice accompanied by the paid check used for payment.

9.8. All costs of providing and administering the Health Benefit Plans shall be the sole responsibility of OCPFAThe Fund. The Authority shall not be responsible for any cost of providing or administering said ~~plans in excess of the amounts specified in this Agreement. The Authority shall allow the use of OCFA contributions up to ninety thousand dollars (\$90,000) during calendar year 2023 specifically for audit, bank fees, and fiduciary liability fees and only with corresponding backup documentation to be provided to the auditors during the annual OCPFA health trust fund review. An additional amount not to exceed \$18,000 during calendar year 2023 may be used to fund a portion of the monthly stipend paid by OCPFA to its Cancer and Wellness Business Agent. Each calendar year thereafter, the maximum \$108,000 in administrative costs (i.e., the combined values of \$90,000 plus \$18,000) that may be funded using OCFA contributions will be adjusted by a 5% allowable increase~~ Health Benefit Plans. The Authority shall continue to take deductions from employees’ pre-taxed earnings in accordance with the Group Benefit Plan Agreement and Declaration of Trust for the Orange County Professional Firefighters’ Association, IAFF Local 3631.

10.9. OCPFAThe Fund will be responsible for ensuring that the best investment practices shall be used in accordance with applicable laws and regulations when investing the Trust’s funds.

11.10. OCPFAThe Fund will be responsible for all accounting practices relating to the disbursement of all trust funds assets. Accounting practices will be in accordance with industry standards.

12.11. Upon completion of the annual audit, OCPFAThe Fund shall provide the Authority with a copy of the annual audit within 3090 days of the report’s issuance. The annual audit report shall include the actual cost of Health Benefit Plan premiums, total amount of contributed funds spent on all plans, and details of how all remaining contributed funds are spent or administered. ~~As used in this Agreement, “remaining contributed funds” means any part of the Authority’s contribution that has not been spent on health benefit premiums.~~ All books and records related to the administration and provision of such plans shall be available tefor audit and/or inspection by the Authority or its agents upon request and a 3060-day notice.

~~13-12.~~ All “actively employed” enrollee members in classifications represented by OCPFA shall be eligible and offered an opportunity to enroll in ~~the OCPFA plan options~~ Health Benefit Plan option. No such employee shall be eligible for Authority-provided Health Benefit Plans.

~~14-13.~~ Any employee who retires while in the OCPFA bargaining unit and who is otherwise eligible under the Authority’s retiree medical benefit plan shall have coverage available from the ~~OCPFA Health Benefit Plan~~. No such employee shall be eligible for Authority-provided ~~Health Benefit Plans~~ health plans.

~~15-14.~~ ~~OCPFA~~ The Fund shall have an open enrollment at least once a year.

~~16-15.~~ ~~The waiting period for Health Benefit Plan coverage may not exceed sixty (60) days~~ the first day of the month following the employees date of hire. Employee must make an election within a sixty (60) day period.

~~17. OCPFA may not terminate its Health Benefit Plans during the term of this Agreement. If OCPFA or health provider terminates Health Benefit Plan coverage, the Authority will terminate its contribution for the medical benefit trust fund 30 days prior to plan termination unless OCPFA provides a suitable replacement plan approved by the Assistant Chief/Human Resources Director or the Deputy Fire Chief whose approval shall not be unreasonably withheld.~~

~~18-16.~~ Employees eligible for coverage under ~~an OCPFA plan~~ Health Benefit Plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents. Employees eligible for coverage under an Authority health plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents.

~~19-17.~~ In the administration and provision of health care plans, ~~OCPFA~~ The Fund shall comply with COBRA, HIPAA, ACA, and all other applicable state and federal laws and regulations to the same extent the Authority would be required to comply.

~~20-18.~~ ~~OCPFA~~ The Fund shall comply with all laws applicable to health and welfare benefit, and/or medical or similar benefit, trust funds and the administration and management thereof.

~~21. Any dividends paid, premiums refunded or other rebates or refunds made under any plan or policy shall be the property of the Authority; provided, however, that said funds will be transmitted to the OCPFA medical benefit trust fund for medical benefit trust fund purposes.~~

~~22-19.~~ ~~OCPFA shall take all steps necessary to ensure the confidentiality of Health Benefit Plan user information~~ The Fund shall ensure the confidentiality of Health Benefit Plan user information in compliance with all applicable state and federal laws, including HIPAA and the California Consumer Privacy Act (CCPA).

~~23-20.~~ Except as provided below, plan eligibility shall terminate at the end of the calendar month in which any of the following occur:

- a. Employee terminates. However, this will not interfere with a former employee’s right to continue insurance coverage at his/her option as provided for under law.
- b. Change of representation unit.
- c. Disenrollment of a dependent (for the dependent).



~~e.d. Failure to remit premium share (where applicable, such as an employee on leave).~~

However, upon any of the above occurrences, if the employee would still be reported to the IRS as full-time under the ACA, then that employee's Plan eligibility shall continue until the end of the stability period as reported by the Authority, or until coverage by the new OCFA representation unit begins, whichever comes first.

~~24.21.~~ The provisions of this Agreement shall not be subject to the grievance and arbitration provisions of the ~~Parties'~~ separate Memorandum of Understanding between the Authority and OCPFA.

~~25. Upon expiration or breach of this Agreement, the Authority shall have the right to unilaterally change the plans or assume or assign administration of the plans without meeting and conferring with OCPFA; provided however, that in the event that the Authority makes such a change, benefits provided under new plan(s) shall be substantially similar to the benefits provided under the existing plan(s).~~

~~26.22.~~ OCPFA The Fund shall defend, indemnify and hold the Authority harmless from any claims or legal action arising out of, or in any way related to, Health Benefit Plans administered and/or provided pursuant to this Agreement, including any IRS penalties assessed as a result of the ACA's employer shared responsibility provisions. This obligation shall not arise with respect to any claim or legal action brought by OCPFA or employees concerning coverage overlap between the respective Authority and OCPFA plans.

~~27.23.~~ This Agreement is the entire, integrated agreement with respect to the subject matter hereof, and supersedes all prior and contemporaneous oral and written agreements and discussions. The Parties also agree that no modification of this Agreement shall be valid unless it is in writing and signed by all of the Parties to this Agreement.

~~28.24.~~ This Agreement shall not be construed in favor or against any party, regardless of which party drafted or participated in the drafting of its terms.

~~29.25.~~ The parties agree to reopen negotiations if any of the following occurs:

- a. If changes to the ACA occur which modify this Agreement, including additions or potential repeal;
- b. If there are other legislative changes that modify this Agreement.

**Orange County Professional Firefighters  
Association, IAFF, Local 3631**

**Orange County Fire Authority**

---

Chris Hamm  
President

---

Peter J. Brown  
Labor Negotiator

---

Brian Abney  
Director

---

Lori Zeller  
Deputy Chief, Administration & Support

---

Stephanie Holloman  
Assistant Chief, Human Resources Dept.

---

Robert Cortez  
Assistant Chief, Business Services Dept.

**HEALTH PLAN AGREEMENT**  
**by and between**  
**The Orange County Fire Authority**  
**and**  
**The Orange County Professional Firefighters Association, Local 3631**

IN CONSIDERATION OF the mutual covenants, promises and conditions set forth herein below and pursuant to Article XIII, Section I, of the Parties' 2023-2027 Memorandum of Understanding (MOU), the Orange County Fire Authority ("Authority") and Orange County Professional Firefighters Association, Local 3631 ("OCPFA") agree as follows:

1. The term of this Agreement shall begin on March 1, 2025 and will terminate at 12:00 a.m. on March 1, 2028.

2. For employees who are on approved Family Leave pursuant to the Parties' MOU and applicable law, the OCPFA shall continue to pay health insurance premiums to the same extent the Authority would be required under applicable law or as long as the employee is considered full-time for IRS' ACA reporting by the Authority

Employee contributions towards health plan premiums shall be determined by OCPFA and comply with the affordability guidelines established by the Affordable Care Act (ACA), including Federal Poverty Line Safe Harbor thresholds. The employee's required contribution toward premiums for self-only coverage for the lowest cost plan providing minimum essential coverage shall not exceed the percentage established by the ACA for the applicable year. OCPFA will ensure annual updates to these thresholds.

3. The Authority shall contribute to an OCPFA medical benefit trust fund the following amounts for provision and administration of health and related benefits:

The Authority shall contribute toward health benefits, including medical, dental, vision, and at OCPFA's sole discretion, may also include life, disability insurance, wellness, other health benefits, health and/or wellness facility operation, and Trust administration costs as approved by OCPFA. The contribution amount shall be \$2,199.49 per month effective March 1, 2025 for each "actively employed" enrollee member of the Firefighter Bargaining Unit.

- a. "Actively employed" for purposes of this Agreement is an employee who is receiving their base salary, is using accrued paid leave, receiving benefits pursuant to Labor Code section 4850, or is on an approved leave per this MOU or the law. If an employee is deemed permanently unable to perform the essential functions of the job, upon application for disability retirement, either by the employee or the Authority, an employee will no longer be considered actively employed and may apply for service retirement allowance pending the determination of their entitlement to disability retirement. In the event the employee's disability retirement application is denied because the employee's medical condition does not qualify them for a disability retirement (not for failure to cooperate in the disability retirement application process as determined by OCERS) the employee shall be restored as an active employee. Nothing in this agreement shall preclude an employee from receiving the benefits of this agreement if they are otherwise entitled to them under existing state or federal law.
- b. Employees are not entitled to cash out any of the \$2,199.49 per month.
- c. OCPFA shall ensure that for purposes of the ACA's affordability determination, the

portion of the \$2,199.49 that makes the lowest cost plan affordable under the Federal Poverty Line Safe Harbor is applied only to health premiums and cannot be applied to life or disability insurance.

- d. If any payment due under this Agreement is not received by the 10<sup>th</sup> of each month, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio.
  - i. To demonstrate how this calculation would function if we had applied the above referenced ten (10) time multiplier to the January 9, 2025 “good faith” payment that Authority issued to OCPFA for a 13-day delay in payment to the Fund, that \$3,001.96 payment would, under this new provision, now be calculated as ten (10) times that amount, or \$30,019.60.
- e. This penalty interest shall be calculated from the due date (the 10<sup>th</sup> of the month) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph f. below.
- f. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date.
  - i. Notice can be given *by* either party, but must be given to the Assistant Chief of Business Services. For example, notice could be given by OCPFA to the Assistant Chief of Business Services, or notice could be given by any Authority employee to the Assistant Chief of Business Services.

4. OCPFA shall maintain a medical benefit trust fund (the “Fund”) that shall be administered by medical benefit trustee(s) designated by OCPFA, for the main purpose of providing medical/dental/vision health benefits insurance and possible additional health and/or wellness OCPFA benefits, for “actively employed” enrollee members and retirees in the Firefighters’ Unit. The Fund shall strive to provide additional disability and wellness benefits, which may include any wellness and other medical benefits as approved by the OCPFA Fund trustee(s). Assets in the Fund shall not be utilized to cover other OCPFA costs not associated with health and wellness or the administration of non-health and wellness benefits. It is intended that the administration of the health and wellness benefits offered by the Fund shall not survive the expiration of this Agreement without mutual written consent of the Parties.

5. The Health Benefit Plan (medical, dental and vision) provided through the Fund shall be made available by the Fund to all employees in the representation unit and retirees of the representation unit. Employees must sign a written authorization for deductions. Annual predetermined rate increases shall be automatically adjusted with the approval of OCPFA, without a requirement for new payroll deduction forms.

- a. The Authority shall transfer the share of member healthcare premiums which are deducted through payroll contributions within two (2) business days following the payroll deduction. If any payment due under this paragraph 5.a is not received within two (2) business days of payroll deduction, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio. This penalty interest shall be calculated from the due date (the 2<sup>nd</sup> business day following payroll deductions) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph b. below.

- b. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date. (Refer to paragraph 3.f.i for details about notice).
- c. In addition to all OCPFA “actively employed” enrollee members and retirees, Health Benefit Plans provided through the medical benefit trust shall also be made available to former Fire Department employees who transitioned to the OCFA and retired from California Public Employees’ Retirement System (CALPERS) greater than 120 days (about 4 months) from separation from their former Fire Department. These transitioned employees are not eligible for retiree health care benefits from a CALPERS administered plan; therefore, upon separation from Authority, these retirees will be considered eligible for enrollment for retiree health benefits (health, dental, and vision insurance) from a plan administered by the OCPFA medical benefit trust. The Authority shall not incur any costs as a result of this Section 5.c. and this Section shall only apply to employees within the OCPFA bargaining group.

6. Group policies must be designated as such in the California Insurance Code and issuance must be lawful in this state. The Fund shall offer health plans that constitute minimum essential coverage and provide minimum value under the ACA’s employer shared responsibility provisions. The Fund shall not offer reimbursement of premiums for health coverage obtained through Covered California, as this constitutes an impermissible employer payment plan under the ACA.

7. Retiree-Only Benefit: Retirees who move out of the group plan area and, therefore, may not be eligible to participate in the group plans, may enroll in an alternative minimum essential coverage plan. Retirees in such individual plans are eligible for retiree medical grant funding under the same conditions as applied to group plan members (the OCPFA/Authority sponsored plan), provided that they submit a valid proof of payment, i.e. payroll stub showing payroll deduction for insurance or a copy of an insurance invoice accompanied by the paid check used for payment.

8. All costs of providing and administering the Health Benefit Plans shall be the sole responsibility of the Fund. The Authority shall not be responsible for any cost of providing or administering said Health Benefit Plans. The Authority shall continue to take deductions from employees’ pre-taxed earnings in accordance with the Group Benefit Plan Agreement and Declaration of Trust for the Orange County Professional Firefighters’ Association, IAFF Local 3631.

9. The Fund will be responsible for ensuring that the best investment practices shall be used in accordance with applicable laws and regulations when investing the Trust’s funds.

10. The Fund will be responsible for all accounting practices relating to the disbursement of all trust fund assets. Accounting practices will be in accordance with industry standards.

11. Upon completion of the annual audit, the Fund shall provide the Authority with a copy of the annual audit within 90 days of the report’s issuance. The annual audit report shall include the actual cost of Health Benefit Plan premiums, total amount of contributed funds spent on all plans, and details of how all remaining contributed funds are spent or administered. All books and records related to the administration and provision of such plans shall be available for audit and/or inspection by the Authority or its agents upon request and a 3060-day notice.

12. All “actively employed” enrollee members in classifications represented by OCPFA shall be eligible and offered an opportunity to enroll in a Health Benefit Plan option. No such employee shall be eligible for Authority-provided Health Benefit Plans.

13. Any employee who retires while in the OCPFA bargaining unit and who is otherwise eligible under the Authority's retiree medical benefit plan shall have coverage available from the Health Benefit Plan. No such employee shall be eligible for Authority-provided health plans.

14. The Fund shall have an open enrollment at least once a year.

15. Health Benefit Plan coverage is the first day of the month following the employees date of hire. Employee must make an election within a sixty (60) day period.

16. Employees eligible for coverage under a Health Benefit Plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents. Employees eligible for coverage under an Authority health plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents.

17. In the administration and provision of health care plans, The Fund shall comply with COBRA, HIPAA, ACA, and all other applicable state and federal laws and regulations to the same extent the Authority would be required to comply.

18. The Fund shall comply with all laws applicable to health and welfare benefit, and/or medical or similar benefit, trust funds and the administration and management thereof.

19. The Fund shall ensure the confidentiality of Health Benefit Plan user information in compliance with all applicable state and federal laws, including HIPAA and the California Consumer Privacy Act (CCPA).

20. Except as provided below, plan eligibility shall terminate at the end of the calendar month in which any of the following occur:

- a. Employee terminates. However, this will not interfere with a former employee's right to continue insurance coverage at his/her option as provided for under law.
- b. Change of representation unit.
- c. Disenrollment of a dependent (for the dependent).
- d. Failure to remit premium share (where applicable, such as an employee on leave).

However, upon any of the above occurrences, if the employee would still be reported to the IRS as full-time under the ACA, then that employee's Plan eligibility shall continue until the end of the stability period as reported by the Authority, or until coverage by the new OCFA representation unit begins, whichever comes first.

21. The provisions of this Agreement shall not be subject to the grievance and arbitration provisions of the separate Memorandum of Understanding between the Authority and OCPFA.

22. The Fund shall defend, indemnify and hold the Authority harmless from any claims or legal action arising out of, or in any way related to, Health Benefit Plans administered and/or provided pursuant to this Agreement, including any IRS penalties assessed as a result of the ACA's employer shared responsibility provisions. This obligation shall not arise with respect to any claim or legal action brought by OCPFA or employees concerning coverage overlap between the respective Authority and OCPFA plans.

23. This Agreement is the entire, integrated agreement with respect to the subject matter hereof, and supersedes all prior and contemporaneous oral and written agreements and discussions. The Parties also agree that no modification of this Agreement shall be valid unless it is in writing and signed by all of the Parties to this Agreement.

24. This Agreement shall not be construed in favor or against any party, regardless of which party drafted or participated in the drafting of its terms.

25. The parties agree to reopen negotiations if any of the following occurs:

- a. If changes to the ACA occur which modify this Agreement, including additions or potential repeal.
- b. If there are other legislative changes that modify this Agreement.

**Orange County Professional Firefighters  
Association, IAFF, Local 3631**

**Orange County Fire Authority**

---

Chris Hamm  
President

---

Peter J. Brown  
Labor Negotiator

---

Brian Abney  
Director

---

Lori Zeller  
Deputy Chief, Administration & Support

---

Stephanie Holloman  
Assistant Chief, Human Resources Dept.

---

Robert Cortez  
Assistant Chief, Business Services Dept.