



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING
Thursday, January 22, 2015
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 Sherry A.F. Wentz, 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>

If you wish to speak before the Fire Authority Board, 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 being heard before the Board. Speaker Forms are available at the counters of both entryways of the Board Room.



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.

CALL TO ORDER

INVOCATION by OCFA Chaplain Ken Krikac

PLEDGE OF ALLEGIANCE by Director McCloskey

ROLL CALL

ADMINISTRATION OF OATH OF OFFICE FOR THE NEWLY APPOINTED BOARD MEMBERS

1. PRESENTATIONS

A. Requests for Commendations and Proclamations Submitted by: Sherry Wentz, Clerk of the Authority

1. Length of Service Recognition

Recommended Action:

Approve requests as submitted and make presentations to those present.

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 as a whole, 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.

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR

REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR

REPORT FROM THE FIRE CHIEF

- Introductions of new Assistant Chiefs
- 120-day Plan Status

2. MINUTES

A. Minutes from November 20, 2014, Regular Board of Directors Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

B. Minutes from December 4, 2014, Regular Board of Directors Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR

A. Adoption of Revised Conflict of Interest Code

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Adopt the proposed Resolution revising the OCFA Conflict of Interest Code, and direct the Clerk of the Authority to submit the Resolution to the Orange County Board of Supervisors, as the Code reviewing body, for approval.

B. Secured Fire Protection Agreements: Vireo Apartments, Elements 1 Apartments, and The Oaks

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Fire Chief or his designee to execute Secured Fire Protection Agreements with Sares Regis Group related to the Vireo Apartments at Park Place, Parcel 1 D and 2D of lot line adjustment 579285-LL, in the City of Irvine; Campos Verdes LLC and Capos Verdes 1, LLC related to Elements Site 1 Apartments Tract 17641, in the City of Irvine; and Development Solutions Oak, LLC related to the Oaks development Tract 17441, in the City of San Juan Capistrano.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreements in the Official Records of the County of Orange and furnish each developer a copy of the conformed document within fifteen days of recordation.

C. 2015 OCFA Grants Priorities

Submitted by: Sandy Cooney, Communications Director

Recommended Action:

Approve OCFA's Grant Priorities for 2015.

D. 2015 OCFA Legislative Policy Guidelines

Submitted by: Sandy Cooney, Communications Director

Recommended Action:

Adopt the 2015 OCFA Legislative Policy Guidelines and direct OCFA staff to initiate procedures to implement those policies.

E. Amendment to Agreement with the City of Santa Ana for Use of Community Development Block Grant Funds

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Board Chair to execute the proposed amendment to the agreement between the City of Santa Ana and OCFA to extend Agreement A-2013-173.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

CLOSED SESSION**CS1. CONFERENCE WITH LABOR NEGOTIATOR**

Chief Negotiator: Jeremy Hammond, Human Resources Director
Employee Organizations: Orange County Employees' Association
Authority: Government Code Section 54957.6

CS2. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiator: Jeff Bowman, Fire Chief
Employee Organizations: Unrepresented Executive Management (excluding Fire Chief)
Authority: Government Code Section 54957.6

CLOSED SESSION REPORT**5. DISCUSSION CALENDAR****A. Approval of Memorandum of Understanding General and Supervisory Units
Orange County Employees Association**

Submitted by: Jeremy Hammond, Human Resources Director

Recommended Action:

Approve the proposed General and Supervisory Unit MOU between the Orange County Fire Authority and the Orange County Employees Association, for a term of December 19, 2014, to December 15, 2017.

B. Revisions to the Personnel and Salary Resolution

Submitted by: Jeff Bowman, Fire Chief

Recommended Action:

Approve proposed revisions to the Personnel and Salary Resolution, Part 3, Article 1, Sections 9 – 14, as discussed in closed session negotiations.

C. Board Meeting Schedule for Calendar Year 2015

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Adopt the proposed Resolution amending the 2015 Meeting Schedule for the Orange County Fire Authority Board of Directors to temporarily expand the regular meeting schedule to include monthly Board meetings.

D. FY 2014/15 Mid-Year Financial Report

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Actions:

1. Approve a budget adjustment in Fund 121 to allocate \$3,000,000 of available unencumbered funds identified in the FY 2013/14 financial audit to OCFA's unfunded pension liability and allocate the remaining \$2,985,060 to OCFA's Capital Improvement Program.
2. Approve a budget adjustment in Fund 121 to increase the FY 2014/15 Jurisdictional Equity Adjustment Payments by \$4,978,772 resulting in full accrual of the Payments per the Second Amendment to the Amended Joint Powers Agreement, pending resolution of the appeal.
3. Authorize the following staffing changes:
 - a. Unfreeze two Fire Prevention Specialist positions in the Community Risk Reduction Department to improve OCFA's response to increased development activity.
 - b. Convert the 22 Hand Crew Firefighter positions from limited-term to permanent status.
4. Direct staff to return to the Board of Directors in March 2015 for approval of all additional budget adjustments discussed herein for the FY 2014/15 budget.

E. Board Member Requests for Legal Services

Submitted by: David Kendig, General Counsel

Recommended Actions:

1. Provide policy direction that individual members of the Board may communicate questions directly to General Counsel when: (a) the inquiry relates to OCFA business, and (b) it appears likely that it will require fifteen (15) minutes or less of legal services to respond.
2. Direct that, as to those inquiries from individual Board members that appear likely to require more than fifteen (15) minutes of legal services to respond, the Board member may either:
 - a. When time allows, request the Chair of the Board to place an item on the next Executive Committee or Board Agenda to consider whether to authorize General Counsel to perform the legal services; or
 - b. When it would frustrate the purpose of the Board Member's request to postpone the legal services until after the next meeting, submit the item to the Chair of the Board to determine whether to authorize the performance of the services.

CLOSED SESSION CONTINUED

CS3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Authority: Exposure to Litigation pursuant to Government Code Section 54956.9(b)
(1 case)

CS4. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
Name of Case: Orange County Fire Authority and City of Irvine v All Persons
Interested in the Matter of the Validity of that Second Amendment to
Amended Joint Powers Authority
Case No.: Court of Appeal, Fourth Appellate District, Division Three – Appellate
Case No. G050687
Authority: Government Code Section 54956.9(d)(1)

CLOSED SESSION REPORT

BOARD MEMBER COMMENTS

ADJOURNMENT - The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for March 26, 2015, 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 and front gate public display case of the Orange County Fire Authority, Regional Fire Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 15th day of January 2015.

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

UPCOMING MEETINGS:

Human Resources Committee Meeting	Tuesday, February 3, 2015, 12:00 noon
Budget and Finance Committee Meeting	Wednesday, February 11, 2015, 12:00 noon
Claims Settlement Committee Meeting	Thursday, February 19, 2015, 5:30 p.m.
Executive Committee Meeting	Thursday, February 19, 2015, 6:00 p.m.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 1A
Presentations

Length of Service Recognition(s)

Contact(s) for Further Information

Craig Kinoshita, Deputy Fire Chief	craigkinoshita@ocfa.org	714.573.6014
Elizabeth Deacon, Office Svs. Specialist	elizabethdeacon@ocfa.org	949.347.2240

Summary

This is routine agenda item that provides an opportunity to highlight our tenured employees and allow the Board an opportunity to meet and recognize them for their service to the Orange County Fire Authority.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Recognize Length of Service recipients in attendance.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

All employees including professional and suppression staff members that achieve five year milestone steps beginning with 30 years of service will be regularly invited for length of service recognition at regular meetings of the Board of Directors following the closest anniversary date.

The following OCFA employees have reached milestone service anniversaries and have been invited to attend tonight's Board meeting for recognition for 40 years of service: **Fire Captain Joe Brock**, and 30 years of service: Fire Apparatus Engineer John Belles, Firefighter Albert Dasher, Fire Apparatus Engineer Michael Gross, Fire Captain Andrew Ogren, Fire Captain Christopher Trenholm, and Firefighter James Ybarra.

Names bolded above identify the OCFA employees who have confirmed their attendance at the time of the preparation of the agenda report, and will be presented with new badges that recognize their service years with the OCFA.

Attachment(s)

None.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, November 20, 2014
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 November 20, 2014, at 6:08 p.m. by Chair Murray.

INVOCATION

Chaplain Robert Benoun offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Joseph Aguirre, Placentia	Sam Allevato, San Juan Capistrano
Bob Baker, San Clemente	Rick Barnett, Villa Park
Pat Bates, County of Orange	Randal Bressette, Laguna Hills
Carol Gamble, Rancho Santa Margarita	Gerard Goedhart, La Palma
Noel Hatch, Laguna Woods	Gene Hernandez, Yorba Linda
Robert Johnson, Cypress	Trish Kelley, Mission Viejo
Warren Kusumoto, Los Alamitos	Jeffrey Lalloway, Irvine
Jerry McCloskey, Laguna Niguel	Kathryn McCullough, Lake Forest
Al Murray, Tustin	Roman Reyna, Santa Ana
David John Shawver, Stanton	Todd Spitzer, County of Orange
Elizabeth Swift, Buena Park	Phillip Tsunoda, Aliso Viejo
Tri Ta, Westminster	Steven Weinberg, Dana Point

Absent: David Sloan, Seal Beach

Also present were:

Fire Chief Jeff Bowman	Deputy Chief Craig Kinoshita
Assistant Chief Brian Stephens	Assistant Chief Dave Thomas
Assistant Chief Lori Zeller	Communications Director Sandy Cooney
Assistant Chief Lori Smith	Human Resources Director Jeremy Hammond
General Counsel David Kendig	Clerk of the Authority Sherry Wentz

Director Tsunoda joined the meeting at 6:30 p.m.

PRESENTATIONS

1. Requests for Commendations and Proclamations (X: 11.09) (F: 11.09C) (F: 11.02) (F: 18.0C)

Chair Murray and Fire Chief Jeff Bowman recognized Amanda Firestone and Makarena Galmarini for their recent lifesaving efforts of a child and OCFA Dispatchers Collette Whitlock and Mishele Richards for their assistance with emergency deliveries of two newborns. Chair Murray also recognized the outgoing Board Members: Joseph Aguirre, Pat Bates, Randal Bressette, Trish Kelley, Kathryn McCullough, and Steven Weinberg.

PUBLIC COMMENTS (F: 11.11)

Chair Murray opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, addressed and noted his opposition to the proposed Memorandum of Understanding (MOU) with the Professional Firefighters' Association.

Vicki Harris, representing the Exchange Club of Irvine and the Crossroads Exchange Club, asked for city sponsors and support for the upcoming Best & Bravest Annual Awards Dinner Ceremony, January 29, 2015.

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

Budget and Finance Committee (BFC) Chair Bressette reported on the November 5, 2014, Committee meeting that the Committee voted unanimously to send the Monthly Investment Report and the First Quarter Financial Newsletter – *July 2014–September 2014* to the Executive Committee for its approval. He also stated the Committee voted unanimously to send the Annual Statement of Investment Policy and Investment Authorization, Audited Financial Reports for the Fiscal Year Ended June 30, 2014, Updated Cost Reimbursement Rates and Methodologies, and the FY 2013/14 Backfill/Overtime and Total Earnings/Compensation Analysis to the Board of Directors for its approval.

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 20.02A1)

Human Resources Committee (HRC) Chair Shawver reported the November 4, 2014, Committee did not meet and therefore there were no reportable actions.

REPORT FROM THE FIRE CHIEF (F: 11.14)

Chief Bowman reported on the 90-day update of the 120-Day Plan and provided a review of the goals and objectives of the plan. He deferred to Assistant Chief Dave Thomas to provide an update on the operation report regarding the training division. He identified three issues that were resolved: scheduling, work assignments, and loss of pay. He deferred to Dr. Ken Miller, Medical Director, Orange County Fire Authority who provided an update on the Ebola virus concerns and OCFA's preparedness.

MINUTES (F: 11.06)

2. Minutes from October 23, 2014, Regular Board of Directors Meeting

On motion of Director Bressette and second by Director Johnson, the Board voted unanimously to approve the Minutes from the Regular Board of Directors meeting of October 23, 2014. Directors Barnett, Bates, Gamble, Kelley, Lalloway, and Reyna noted abstentions due to their absence from the meeting.

- S1.** On motion of Director Bressette and second by Director Johnson, the Board voted unanimously to approve the Minutes from the Special Board of Directors meeting of November 13, 2014. Directors Bates, Goedhart, Hernandez, McCullough, Sloan, and Weinberg noted abstentions due to their absence from the meeting.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matters on the Agenda identified as CS1, Conference with Legal Counsel-Existing Litigation, CS2, Conference with Legal Counsel – Anticipated Litigation, and CS3, Public Employee Appointment.

CS1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Claim: Larry Colgan v. OCFA

Case No. WCAB: ADJ 6933032, ADJ 933021, ADJ 7575097

Authority: Government Code Section 54956.9(a)

CS2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) - Significant Exposure to Litigation (2 cases)

CS3. PUBLIC EMPLOYEE APPOINTMENT

Title: Fire Chief

Authority: Government Code Section 54957(b)(1)

Chair Murray recessed the meeting to Closed Session at 7:07 p.m.

Chair Murray reconvened the meeting at 9:03 p.m.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig reported the Board voted unanimously with Director Weinberg opposed to appoint Chief Bowman as Fire Chief. The Board also voted unanimously to approve the settlement of a worker's compensation claim the terms of which will be disclosed publicly as soon as it is finalized by all necessary parties.

Minutes

OCFA Board of Directors Regular Meeting

November 20, 2014 Page - 3

CONSENT CALENDAR

Agenda Item Nos. 5, 7, and 11 were pulled for separate consideration.

3. Annual Statement of Investment Policy and Investment Authorization (F: 20.02A1)

On motion of Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2015.
2. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2015.

4. Adoption of Revised Conflict of Interest Code (F: 20.02A1)

On motion of Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to adopt Resolution No. 2014-14 revising the OCFA Conflict of Interest Code, and direct the Clerk of the Authority to submit the Resolution to the Orange County Board of Supervisors, as the Code reviewing body, for approval.

5. Audited Financial Reports for the Fiscal Year Ended June 30, 2014 (F: 15.06)

This item was pulled by Stephen Wontrobski, Mission Viejo resident, who addressed his concerns with the Audited Financial Reports submitted by Lance, Soll & Lunghard, LLP (LSL).

On motion of Director Bressette and second by Director Spitzer, the Board voted unanimously to receive and approve the reports.

6. Updated Cost Reimbursement Rates and Methodologies (F: 15.12)

On motion by Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Adopt the updated Equipment Cost Reimbursement Rate schedule effective November 21, 2014.
2. Approve and adopt the proposed Resolution authorizing suppression (safety) personnel to be reimbursed portal to portal for time assigned on an in or out of county incident.

7. Contract Increase for TriTech Software Systems for Computer Aided Dispatch Software, Hardware, and Professional Services Relating to the Public Safety Systems Project (F: 19.08A3a)

This item was pulled by staff to defer to the December 4, 2014, Board meeting.

8. Secured Fire Protection Agreement with Shady Creek, LLC, a California Corporation, Related to the Hoag Health Center Development, Tract 15177, in the City of Irvine (F: 18.14)

On motion of Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Approve and authorize the Fire Chief or his designee to execute a Secured Fire Protection Agreement with Shady Creek, LLC, a California Corporation, Related to the Hoag Health Center Development, Tract 15177, in the City of Irvine.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreement in the Official Records of the County of Orange and furnish to Shady Creek, LLC, a copy of the conformed document within fifteen days of recordation.

9. Secured Fire Protection Agreement with H. E. Irvine, LLC, a California Corporation, Related to the Hyatt House Irvine project, Parcel 4Q, Lot Adjustment 593337 LL, in the City of Irvine (F: 18.14)

On motion of Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Approve and authorize the Fire Chief or his designee to execute a Secured Fire Protection Agreement with H. E. Irvine, LLC, a California Corporation, related to the Hyatt House Irvine project, Parcel 4Q, Lot Adjustment 593337 LL, in the City of Irvine.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreement in the Official Records of the County of Orange and furnish to H. E. Irvine, LLC, a copy of the conformed document within fifteen days of recordation.

10. Secured Fire Protection Agreement with USA Portola Properties, LLC, and Sunranch Capital Partners, LLC, California Corporations, Related to the Portola Center Development, Tracts 15353, 17300, and Area Plan 2008-01 in the City of Lake Forest (F: 18.14)

On motion of Director Lalloway and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Approve and authorize the Fire Chief or his designee to execute a Secured Fire Protection Agreement with USA Portola Properties, LLC, and Sunranch Capital Partners, LLC, California Corporations, related to the Portola Center Development, Tracts 15353, 17300, and Area Plan 2008-01 in the City of Lake Forest.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreement in the Official Records of the County of Orange and furnish to USA Portola Properties, LLC, and Sunranch Capital Partners, LLC, a copy of the conformed document within fifteen days of recordation.

11. Approval of Amendments to Personnel and Salary Resolution (F: 17.02)

This item was pulled by staff to defer to the December 4, 2014, Board meeting.

DISCUSSION CALENDAR

12. **FY 2013/14 Backfill/Overtime and Total Earnings/Compensation Analysis (F: 15.11)**

Assistant Chief Lori Zeller introduced the staff report and deferred to Finance Manager Jim Ruane, who provided the presentation.

Stephen Wontrobski, Mission Viejo resident, expressed his continued concerns of pension and disability fraud, and sick time abuse.

On motion of Director Bressette and second by Director Johnson, the Board voted unanimously to:

1. Direct staff to pursue reductions in overtime by filling *permanent* vacancies (exceeding those required by MOU) as quickly as possible after the positions become vacant.
2. 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.
3. Direct staff to continue implementation of the overtime cap (recently approved as part of the Firefighter Unit MOU) to limit the number of overtime hours an employee can work per year.
4. Direct staff to report back to the Board in November 2015 on actual savings achieved by no longer including sick/vacation leave as hours worked for purposes of calculating overtime.

13. **Proposed Amendments to the Board of Directors' Rules of Procedure regarding Posting Requirements of Proposed Labor Contracts and Change of Regular Meeting Date for the Claims Settlement Committee (F: 11:03)**

Clerk of the Authority Sherry Wentz introduced the item and noted this was scheduled at the request of Director Spitzer to address transparency of future MOU's and labor type documents.

On motion of Director Spitzer and second by Director Lalloway, the Board voted unanimously to adopt Resolution No. 2014-15 amending the Board of Directors' Rules of Procedures.

14. **Civic Openness In Negotiations Ordinance (F: 11.03C)**

Stephen Wontrobski, Mission Viejo resident, spoke in favor of the Civic Openness In Negotiations Ordinance (COIN).

On motion of Director Spitzer and second by Director Johnson, the Board voted unanimously to defer further action on this matter until after a ruling is issued in the Orange County Employees Association's Unfair Practice Charge filed with the Public Employee Relations Board in connection with the County's COIN Ordinance.

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S2. Fire Chief Employment Agreement (F: 17.10A2)

Human Resources Director Jeremy Hammond presented the staff report. He addressed the employment agreement and terms.

On motion of Director Lalloway and second by Director McCullough, the Board voted to approve an employment agreement with Jeff Bowman for employment as Fire Chief, following closed session negotiation of the agreement terms, and as amended to change the Chief's evaluation from November to July and allow him to continue his volunteer service to Scripts in his present capacity. Director Bates abstained.

PUBLIC HEARING(S)

No items.

BOARD MEMBER COMMENTS

Director Spitzer addressed the County's Ambulance Request for Proposal (RFP) process noting only Dr. Stratton can nullify the RFP.

Director Gamble thanked the outgoing Board Members and wished them well.

Director Kelley thanked the Board Members for their service and the entire organization of the Orange County Fire Authority. She noted complaints she heard from field personnel in the difficulties that they've experienced in using the e-tablets for ePCR system. She noted the City of Mission Viejo's implementation of preemption devices and encouraged other member agencies to do the same.

Assistant Chief Zeller noted there is an on-going test pilot program where varied devices are being reviewed; once the device best suited is determined there will be a bid process.

Director Bates stated she will be available while serving in the State's legislature. She stated the reason for her abstention to the Fire Chief contract was the limited time to review the document and wanting to be consistent regarding pension concerns.

Director McCullough stated this Board of Directors has been very interesting, she learned to have patience, thanked everyone for the cards and flowers sent to her during her recent illness, and wished everyone happy holidays and to be safe.

Director Bressette thanked staff for the OCFA keepsake and thanked everyone for their service.

Director Shawver suggested those leaving take time with their successors to emphasize the importance of serving on the Board of Directors.

Director Baker noted having the honor to participate in the Exchange Club of San Clemente by presenting the Reserve Firefighter of the Year award to Joe Soto and the Firefighter of the Year award to Jason Jones of Fire Station No. 29 in Dana Point.

Chair Murray thanked the Directors for the thoughtful and productive dialogue in the meeting, extended congratulations to Division Chief Ken Cruz who was awarded the Trauma Intervention Program (TIP) “Hero’s With A Heart” Award, and offered congratulations to Assistant Chief Brian Stephens who announced his upcoming retirement in January 2015. He additionally, thanked outgoing Directors Aguirre, Bates, Bressette, Kelley, McCullough, Weinberg for their service and thanked Chief Bowman and Division Chief Kris Concepcion for their attendance the Mayor’s Prayer Breakfast in Tustin.

ADJOURNMENT – Chair Murray adjourned the meeting at 10:12 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for December 4, 2014, at 6:00 p.m.

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

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Board of Directors Regular Meeting
Thursday, December 4, 2014
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 December 4, 2014, at 6:11 p.m., by Chair Murray.

INVOCATION

Chaplain Bob George offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Carol Gamble, Rancho Santa Margarita
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Jerry McCloskey, Laguna Niguel
Brad Reese, Alternate, Villa Park
Dwight Robinson, Alternate, Lake Forest
Tri Ta, Westminster
Chad Wanka, Alternate, Placentia

Gerard Goedhart, La Palma
Gene Hernandez, Yorba Linda
Warren Kusumoto, Los Alamitos
Al Murray, Tustin
Roman Reyna, Santa Ana
Todd Spitzer, County of Orange
Phillip Tsunoda, Aliso Viejo

Absent: Joe Aguirre, Placentia
Bob Baker, San Clemente
Pat Bates, County of Orange
Trish Kelley, Mission Viejo
Kathryn McCullough, Lake Forest
David Sloan, Seal Beach
Steven Weinberg, Dana Point

Sam Allevato, San Juan Capistrano
Rick Barnett, Villa Park
Randal Bressette, Laguna Hills
Jeffrey Lalloway, Irvine
David Shawver, Stanton
Elizabeth Swift, Buena Park

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Brian Stephens
Assistant Chief Lori Zeller
Assistant Chief Lori Smith
General Counsel David Kendig

Deputy Chief Craig Kinoshita
Assistant Chief Dave Thomas
Communications Director Sandy Cooney
Human Resources Director Jeremy Hammond
Assistant Clerk Martha Halvorson

PUBLIC COMMENTS (F: 11.11)

Chair Murray opened the Public Comments portion of the meeting. Chair Murray closed the Public Comments portion of the meeting without any statements from the public.

MINUTES (F: 11.06)

No items.

CONSENT CALENDAR

At the Chair's discretion, the Consent Calendar was moved forward on the agenda.

1. Approval of Amendments to Personnel and Salary Resolution (F: 17.02)

On motion of Director Reese and second by Director Johnson, the Board voted unanimously to approve the proposed amendments to the Personnel and Salary Resolution.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matters on the Agenda identified as CS1, Conference with Labor Negotiator, CS2, Conference with Labor Negotiator, and CS3, Conference with Legal Counsel – Anticipated Litigation

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representatives: Board Chair Al Murray, Board Vice Chair Gene Hernandez, Budget and Finance Committee Chair Randy Bressette
Unrepresented Employee: Fire Chief
Authority: Government Code Section 54957.6

CS2. CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Peter Brown, Liebert Cassidy Whitmore
Employee Organizations: Orange County Employees Association
Authority: Government Code Section 54957.6

CS3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation (1 case)

Chair Murray recessed the meeting to Closed Session at 6:15 p.m.

Director Ta joined the meeting at this point. (6:20 p.m.)

Director Reyna joined the meeting at this point. (6:22 p.m.)

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Chair Murray reconvened the meeting at 8:10 p.m., with prior Directors in attendance.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig stated there were no reportable actions.

DISCUSSION CALENDAR

2. Contract Increase for TriTech Software Systems for Computer Aided Dispatch Software, Hardware, and Professional Services Relating to the Public Safety Systems Project (F: 19.08A3a)

Assistant Chief Brian Stephens introduced IT Manager Joel Brodowski and Assistant IT Manager Todd Muilenburg, who introduced the staff report.

A lengthy discussion ensued.

On motion of Director Spitzer and second by Vice Chair Hernandez, the Board voted unanimously to:

1. Approve and authorize Amendment No. 3 for an increase of \$14,487.50 to the System Implementation Agreement with TriTech Software Systems to:
 - a. Include additional services at an increased cost of \$178,337.50; and
 - b. Remove software and services, and transition the development of the Resource Ordering Status System (ROSS) interface from TriTech to OCFA staff for a savings of -\$163,850.00.
2. Approve a contract increase for payment of \$30,275.52 in travel expenses that were stated in the previously approved TriTech contract as expenses to be billed as incurred.
3. Direct the Purchasing Manager to process Amendment No. 3 and the contract increase for travel, for a new total contract value of \$2,583,299.02.

3. Fire Chief Employment Agreement (F: 17.10A2)

Human Resources Director Jeremy Hammond summarized the proposed amendments to the previously approved agreement with Jeff Bowman for employment as Fire Chief.

On motion of Vice Chair Hernandez and second by Director Spitzer, the Board voted unanimously to approve an employment agreement with Jeff Bowman for employment as Fire Chief as amended with the removal of paragraphs B and E of Section III, under Benefits, and the inclusion under Sick Leave of “accrual to begin on the Effective Date of the Agreement” (Letter C - Benefits), and Vacation accrual to “begin on the Effective Date of the Agreement” (Letter D - Vacation).

PUBLIC HEARING(S)

No items.

BOARD MEMBER COMMENTS (F: 11.14)

Director Goedhart requested to agendize the discussion of the continuation of monthly Board meetings at the next regular Board meeting.

Director Spitzer thanked staff for their work in the last 72 hours to prevent flooding in the canyons. He commented on the County's RFP process for ambulance services; recommended creating a new panel to score the existing RFP's using existing criteria; noted Placentia/Yorba Linda had no protest and would like to see their RFP passed through; and conveyed that the State EMS provided the County of Orange an additional 90 days for the process.

Chair Murray read written comments from absent Director Randal Bressette that thanked the Directors and OCFA staff for their service during his tenure on the Board. Chair Murray thanked OCFA staff for their great work in the canyons during the heavy rains. He announced the upcoming OCFA Academy Graduation is scheduled for Wednesday, December 10, 2014, and encouraged the Directors to attend.

ADJOURNMENT – Chair Murray adjourned the meeting at 8:25 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for January 22, 2015, at 6:00 p.m.

Martha Halvorson, CMC
Assistant Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 3A
Consent Calendar

Adoption of Revised Conflict of Interest Code

Contact(s) for Further Information

Sherry Wentz, Clerk of the Authority

sherrywentz@ocfa.org

714.573.6041

Summary

This item is submitted to consolidate the current individual Assistant Chief designated filer positions into a single identified position of "Assistant Chief."

Prior Board/Committee Action

At its November 20, 2014, meeting, the Board reviewed and approved the regular biennial review of its Conflict of Interest and revised its list of designated filers.

Recommended Action(s)

Adopt the proposed Resolution revising the OCFA Conflict of Interest Code, and direct the Clerk of the Authority to submit the Resolution to the Orange County Board of Supervisors, as the Code reviewing body, for approval.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Upon the retirement of the current Deputy Fire Chief, Chief Bowman's intent is to fill this position with a fifth Assistant Chief to oversee the newly created Organizational Planning Department. Currently, this Assistant Chief position is not identified on the OCFA's Conflict of Interest list of designated positions, and due to the duties and responsibilities of the position it would need to be included on this list. To do so, requires a Resolution from OCFA's Board of Directors. Staff has consulted with the Orange County Clerk of the Board staff, and with their concurrence it has been determined in an effort to streamline future filings it would be appropriate to consolidate all of the current individual Assistant Chief positions into the single position of Assistant Chief.

Attachment(s)

Proposed Resolution

RESOLUTION NO. 2015-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY ADOPTING A CONFLICT OF INTEREST CODE WHICH SUPERSEDES ALL PRIOR CONFLICT OF INTEREST CODES AND AMENDMENTS PREVIOUSLY ADOPTED

WHEREAS, the Political Reform Act of 1974, Government Code Section 81000 et. seq. (“the Act”), requires a local government agency to adopt a Conflict of Interest Code pursuant to the Act; and

WHEREAS, the Orange County Fire Authority has previously adopted a Conflict of Interest Code and that Code now requires updating; and

WHEREAS, amendment to the Act have in the past and foreseeably will in the future require conforming amendments to be made to the Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, Title 2, California Code of Regulations, Section 18730, which contains terms for a standard model Conflict of Interest Code, which, together with amendments thereto, may be adopted by public agencies and incorporated by reference to save public agencies time and money by minimizing the actions required of such agencies to keep their codes in conformity with the Political Reform Act.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The terms of Title 2, California Code of Regulations, Section 18730 (Attachment) and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, together with Exhibits A and B in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Orange County Fire Authority.

SECTION 2. The provisions of all Conflict of Interest Codes and Amendments thereto previously adopted by the Orange County Fire Authority are hereby superseded.

SECTION 3. The Filing Officer is hereby authorized to forward a copy of this Resolution to the Clerk of the Orange County Board of Supervisors for review and approval by the Orange County Board of Supervisors as required by California Government Code Section 87303.

PASSED, APPROVED, AND ADOPTED this 22nd day of January 2015.

ATTEST:

ELWYN A. MURRAY, CHAIR
Board of Directors

SHERRY A.F.WENTZ, CMC
Clerk of the Authority

**CONFLICT OF INTEREST CODE FOR THE
ORANGE COUNTY FIRE AUTHORITY**

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Orange County Fire Authority.

DESIGNATED EMPLOYEES

Designated employees (excluding consultants) shall file Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors who will make the statements available for public inspection and reproduction (Government Code Section 82008). Consultants shall file Statements of Economic Interests with the Orange County Fire Authority Clerk of the Authority.

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18701 (b), are NOT subject to the Authority's code, but are subject to the disclosure requirements of the Act (Government Code Section 87200 et seq.). [Regs. §18730(b)(3)]. These positions are listed here for informational purposes only.

It has been determined that the positions listed below are Orange County Fire Authority officials who manage public investments:

Board of Directors and Alternates
Fire Chief

Treasurer
Assistant Chief/Business Services Dept.

These positions shall file original Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors.

The disclosure categories and requirements for these positions are set forth in Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200 et seq. They generally require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).

ORANGE COUNTY FIRE AUTHORITY**LIST OF DESIGNATED POSITIONS
CONFLICT OF INTEREST CODE**

Designated Position	Disclosure Category
Assistant Chief/ Fire Marshal	OC-41
Assistant Chief/Operations Department	OC-41
Assistant Chief/Support Services Department	OC-41
Assistant Fire Marshal	OC-29
Assistant Information Technology Manager/Portfolio and Procurement Management	OC-08
Assistant Information Technology Manager/Customer Relations and Consulting	OC-08
Assistant Information Technology Manager/GIS & Data Management	OC-08
Assistant Information Technology Manager/Infrastructure & Workplace Support	OC-08
Assistant Purchasing Agent	OC-41
Battalion Chief/Emergency Command Center	OC-05
Battalion Chief/Emergency Medical Services	OC-05
Buyer	OC-41
Clerk of the Authority	OC-05
Consultant	OC-30
Construction Manager	OC-32

Deputy Fire Chief	OC-41
Deputy Fire Marshal	OC-29
Director of Communications	OC-41
EMS Coordinator	OC-05
EMS Medical Director	OC-05
Employee Relations Manager	OC-11
Facilities Maintenance Manager	OC-41
Finance Manager	OC-27
Fire Captain – Spec Developer for PPEs	OC-05
Fire Engineer – Spec Developer for Apparatus	OC-41
Fire Division Chief	OC-41
Fire Prevention Analyst	OC-29
Fire Prevention Specialist	OC-29
Fire Safety Engineer	OC-29
Fleet Services Manager	OC-05
Fleet Services Supervisor	OC-05
General Counsel	OC-30
Human Resources Director	OC-11

Information Technology Manager	OC-08
Information Technology Supervisor	OC-08
Property Manager	OC-41
Purchasing and Materials Manager	OC-05
Risk Manager	OC-12
Risk Management Analyst	OC-12
Service Center Supervisor	OC-05
Senior Fire Apparatus Parts Specialist	OC-05
Senior Fire Prevention Specialist	OC-29
Supervising Purchasing Agent	OC-05

ORANGE COUNTY FIRE AUTHORITY**DISCLOSURE CATEGORIES/DESCRIPTIONS***

Disclosure Category	Disclosure Description*
OC-05	All investments in, business positions and income (including gifts, loans, and travel payments) from sources that provide services, supplies, materials, machinery, equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by the County Department, Authority or District, as applicable.
OC-11	All interests in real property in Orange County or located entirely or partly within the Authority or District boundaries as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that are engaged in the supply of equipment related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-12	All interests in real property in Orange County, the District, or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that invest funds or engage in the business of insurance including, but not limited to insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims mangers and actuaries; from financial institutions including but not limited to, banks, savings & loan associations and credit unions or sources that have filed a claim, or have a claim pending, against Orange County, the Authority or the District, as applicable.
OC-27	All investments in, business positions with and sources of income (including gifts, loans and travel payments) from sources that are engaged in banking and/or investment business.
OC-29	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that are subject to inspection or regulation by the County Department, Authority or District, as applicable.
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.

Disclosure Category	Disclosure Description*
OC-32	All investments in, business positions with and income (including gifts loans and travel payments) from sources that are engaged in any real estate activity within the geographical boundaries of the County, District or Authority as applicable, including but not limited to real estate appraisal, development, construction, sales, brokerage, leasing, lending, insurance or property management.
OC-41	All interests in real property in Orange County, the District or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, vehicles, or equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.

* As used herein, the terms “Department,” “County Department,” “District” and “Authority” shall all mean “Orange County Fire Authority”



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 3B
Consent Calendar

**Secured Fire Protection Agreements:
Vireo Apartments, Elements 1 Apartments, and The Oaks**

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6008
Michele Hernandez, Mgmt. Analyst	michelehernandez@ocfa.org	714.573.6199

Summary

This item is submitted to authorize the Fire Chief to execute three (3) Secured Fire Protection Agreements (SFPA) with Sares Regis Group related to the Vireo Apartments at Park Place, Parcel 1 D and 2D of lot line adjustment 579285-LL, in the City of Irvine; Campos Verdes LLC and Capos Verdes 1, LLC related to Elements Site 1 Apartments Tract 17641, in the City of Irvine; and Development Solutions Oak, LLC related to the Oaks development Tract 17441, in the City of San Juan Capistrano. These agreements define the “fair share” contribution needed to adequately serve the intended development and current communities adjacent to the project area.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

1. Approve and authorize the Fire Chief or his designee to execute Secured Fire Protection Agreements with Sares Regis Group related to the Vireo Apartments at Park Place, Parcel 1 D and 2D of lot line adjustment 579285-LL, in the City of Irvine; Campos Verdes LLC and Capos Verdes 1, LLC related to Elements Site 1 Apartments Tract 17641, in the City of Irvine; and Development Solutions Oak, LLC related to the Oaks development Tract 17441, in the City of San Juan Capistrano.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreements in the Official Records of the County of Orange and furnish each developer a copy of the conformed document within fifteen days of recordation.

Impact to Cities/County

This agreement has no negative impacts to any of our member cities or the County.

Fiscal Impact

Revenue produced by full entitlements on 3 projects would be \$751,200.

Background

Sares Regis Group, the developers for the Vireo Apartments at Park Place, Parcel 1 D and 2D of lot line adjustment 579285-LL, will be constructing 520 apartment dwelling units, in Irvine. A Secured Fire Protection Agreement (SFPA) is a required condition for project approval. Payments will be made to OCFA after the agreement is signed and recorded. Revenues

generated from the Agreement are restricted for IBC project area development and are based on a fee of \$600 per dwelling unit. The fees are intended to cover a pro rata share of costs associated with providing fire protection services to the new development. This development is an IBC Specific Plan project. Estimated revenues for this project are \$312,000.

Campos Verdes and Campos Verdes 1, LLC, the developers for the Elements Site 1 Apartment, tract 17641, will be constructing 700 apartment dwelling units, in Irvine. A Secured Fire Protection Agreement (SFPA) is a required condition for project approval. Payments will be made to OCFA after the agreement is signed and recorded. Revenues generated from the Agreement are restricted for IBC project area development and are based on a fee of \$600 per dwelling unit. The fees are intended to cover a pro rata share of costs associated with providing fire protection services to the new development. This development is an IBC Specific Plan project. Estimated revenues for this project are \$420,000.

Development Solutions Oak, LLC the developers for the Oaks, tract 17441, will be constructing 32 single family dwelling units, in San Juan Capistrano. A Secured Fire Protection Agreement (SFPA) is a required condition for project approval. Payments will be made to OCFA after the agreement is signed and recorded. Revenues generated from the Agreement are restricted, as per the SFPA with The Ranch Plan PA1, assigned for funding to Fire Station 56, and are based on a fee of \$600 per dwelling unit. The fees are intended to cover a pro rata share of costs associated with providing fire protection services to the new development. Estimated revenues for this project are \$19,200.

The proposed agreements should provide OCFA and the developers with the ability to make long-range plans and decisions with respect to both infrastructure costs and operational costs associated with each development. The agreements provide OCFA with the necessary assurances needed to complete work/review on enhancement to the regional emergency fire services delivery system.

Attachment(s)

1. SFPA Vireo Apartments
2. SFPA Elements Site 1 Apartments at Park Place
3. SFPA The Oaks

SECURED FIRE PROTECTION AGREEMENT

by and between the

**ORANGE COUNTY FIRE AUTHORITY,
A CALIFORNIA JOINT POWERS AUTHORITY**

and

Sares Regis Group

Effective Date: _____

Project Name: Vireo Apartments at Park Place

**ORANGE COUNTY FIRE AUTHORITY
SECURED FIRE PROTECTION AGREEMENT**

WITH

Sares Regis Group

This Secured Fire Protection Agreement ("Agreement") is made between the Orange County Fire Authority, a California Joint Powers Authority ("OCFA") and Sares Regis Group ("Company"), and is effective as of _____, 201____.

RECITALS

A. OCFA is a governmental entity, organized as a California Joint Powers Authority, providing fire protection and life safety services to over one million residents within the County of Orange ("County"), including the City of Irvine ("City") and all of the real property described in this Agreement.

B. This Agreement covers real property owned by Company located within the County of Orange and the City of Irvine as of the date of this Agreement, all as described on Exhibit A attached hereto. The extent of Company development for which fire protection services will be provided by Authority shall cover all of the property subject to Parcels 1D and 2D of Lot Line Adjustment 579285-LL.

C. Company's development of the Project Area is subject to the general development requirements and conditions (collectively, the "City Conditions") related to the provision for emergency response, fire protection services, equipment and facilities imposed by the City. The City Conditions generally include requirements for Company to enter into agreements with OCFA to ensure that Company will provide for and contribute its *pro rata* fair share costs of emergency response, fire protection services, equipment and facilities for the benefit of residents residing within the Project Area.

D. OCFA and Company believe that this Agreement contains adequate safeguards to ensure OCFA's ability to enforce the obligations of this Agreement and protect the public interest.

AGREEMENT

Based upon the foregoing Recitals and in consideration of the covenants and conditions contained in this Agreement, the parties agree to timely perform each of their respective obligations as set forth herein.

SECTION 1. DEFINITIONS

Unless the context otherwise requires, wherever in this Agreement the following terms are used, the intent and meaning shall be interpreted as provided herein.

"Agreement" means this Secured Fire Protection Agreement, including the attached Exhibits between OCFA and the Company.

"OCFA" means the Orange County Fire Authority, a governmental entity and California joint powers authority.

"City" means the City of Irvine, a member of OCFA.

"Company" means Sares Regis Group

"City Conditions" means the general development requirements and conditions related to the provision of emergency response, fire protection services, equipment and facilities imposed by the City as conditions of approval on development projects proposed or undertaken in the City by Company.

"Effective Date" means the date this Agreement is approved by the OCFA Board of Directors.

"Fee" means the most current fee, as approved by OCFA or its successors or predecessors in interest, or as may be adopted by OCFA or its successors from time to time, for the funding in whole or in part of emergency response, fire protection services, equipment and facilities within the jurisdiction of OCFA.

"Project Area" means the property owned by Company within the City as of the date of this Agreement, and as more particularly described in Exhibit A.

"Security Instruments" means surety bonds, letters of credit or any other form of security or method, acceptable to OCFA, of assuring construction, installation, or provision of emergency response, fire protection services, equipment and facilities.

SECTION 2. COMPANY OBLIGATIONS

Company is in the process of developing the property in the Project Area and constructing improvements thereon that will result in regional impacts that will require emergency response, fire protection services, equipment and facilities by OCFA. In recognition and consideration of these impacts, OCFA and Company mutually agree as follows:

A. Acknowledgment of Obligations and Satisfaction of OCFA Requirements

Company acknowledges that pursuant to the City Conditions, Company is required (i) to provide a *pro rata* share of funding necessary to establish adequate emergency response, fire protection services, equipment and facilities, and (ii) contribute towards overall regional emergency response, fire protection services, equipment and facilities as provided herein in this Agreement. OCFA acknowledges that Company's performance of the obligations set forth in this Agreement constitute satisfaction of the obligations of Company for this Project. The *pro rata* share does not include standard processing fees for plan checking, permits and similar services or requirements of OCFA.

B. Pro Rata Share

1. Company agrees to pay in full its *pro rata* share as provided below:

(a) A cash contribution in an amount determined by multiplying the applicable fee in effect at the time payment is due by the number of proposed residential dwelling units and, in the case of commercial development, the square footage equivalency as determined by the formula in subparagraph (b) below (all as shown on the attached Exhibit B), within ten (10) days of issuance of the first residential or commercial building permit ("Due Date") for any portion of the property owned by Company within the Project Area as of the Effective Date. The parties agree that the applicable fee on the Effective Date is \$600/unit. The parties further agree that the Company's total funding obligation on the effective date of this Agreement is \$312,000 (all as shown on Exhibit B).

(b) Such amounts of residential dwelling units and square footage of commercial development may be adjusted according to an equivalency formula as follows: 1) commercial development square footage may be divided by 1,000 and then multiplied by 0.9 (nine/tenths or 9/10) to reach the equivalent dwelling units; 2) residential dwelling units may be divided by 0.9 (nine/tenths or 9/10) and then multiplied by 1,000 to reach the equivalent commercial square footage.

2. Nothing in this Agreement shall be construed to prohibit Company from paying all, or a portion, of the amount(s) set forth above in advance of the Due Date. Such prepayment will be calculated by multiplying \$600 or the applicable fee in effect at the time of payment by the number of units for which the Company wishes to prepay. Company will not be responsible for any subsequent fee increase that may be adopted by OCFA between the date of payment and the issuance of a building permit for the units covered by the paid fee.

3. In the event that the actual number of dwelling units, or equivalent dwelling units, built is less than 520, OCFA will make such adjustments as may be appropriate, including the payment of any refund for any amounts overpaid. At build-out, documentation satisfactory to OCFA shall be furnished to OCFA which

verifies the actual number of dwelling units, or equivalent dwelling units, constructed and that no further units, or equivalent units, shall be built on the property in the Project Area owned by Company on the Effective Date. Such documentation shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built (calculated by subtracting the total number of units, or equivalent units, built from 520, the total number of units, or equivalent units, allowed). OCFA shall refund the Company for any amounts overpaid within thirty (30) days of the earlier of (i) written notification to OCFA that the Company will build less than the 520 proposed residential dwelling units; and (ii) the date the OCFA receives the above-referenced documentation which shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built.

SECTION 3. SECURITIES

A. Security to Guarantee Payment

Within sixty (60) days after execution of this Agreement, Company shall furnish OCFA with a Faithful Performance Bond or Letter of Credit or any other security instrument acceptable to the Fire Chief and OCFA Counsel, securing Company's then remaining obligation to pay OCFA the *pro rata* share amount set forth in Section 2, subject to the following requirements:

1. Form of Security Instruments. All Security Instruments shall meet the following minimum requirements and otherwise shall be in a form acceptable to OCFA:

(a) Any insurance company acting as surety shall have a minimum rating of A, as rated by the current edition of Best's Key Rating Guide published by A.M. Best's Company, Oldwick, New Jersey 08858; any bank issuing a Letter of Credit shall have a minimum rating of AA, as rated by Moody's or Standard & Poor's; each entity acting as a surety shall be licensed to do business in California.

(b) Payments under the security instrument shall be required to be made in the County of Orange, State of California.

(c) The security instrument shall reference Company's obligations under this Agreement, shall be irrevocable, and shall include, as an additional obligation secured, the responsibility to compensate OCFA for all of OCFA's reasonable attorneys' fees and litigation expenses reasonably incurred in enforcing its rights under the security instrument.

2. Release of Security Instruments. OCFA shall release or partially release the Faithful Performance Bond or Letter of Credit, *pro rata*, upon Company's written request as and when OCFA receives payment and after acceptance of Company's final payment obligation pursuant to Section 2.

SECTION 4. DEFAULT AND ATTORNEYS' FEES

A. Remedies Not Exclusive

In any case where this Agreement provides a specific remedy to OCFA for breach or default by Company hereunder, such remedy shall be in addition to, and not exclusive of, OCFA's right to pursue any other administrative, legal or equitable remedy to which it may be entitled.

B. Attorneys' Fees and Costs

In the event of any litigation arising out of this Agreement or under any of the Security Instruments referenced herein, the prevailing party in such action, in addition to any other relief, which may be granted, shall be entitled to recover its reasonable attorneys' fees and costs. Such attorneys' fees and costs shall include fees and costs on any appeal, and all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to such litigation or arbitration. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

SECTION 5. GENERAL PROVISIONS

A. Successors and Assigns

This Agreement shall be binding upon all successors and assigns of Company's right, title, and interest in and to the Project Area and any portions thereof.

B. Density and Intensity of Development

The provisions of this Agreement shall be deemed to be in substantial compliance with all City Conditions for this Project. In the event the density or intensity of development for this Project is proposed to be increased, OCFA and Company shall meet and confer and determine whether there should be any modification to this Agreement to provide for additional services, equipment or facilities necessary to serve the Project Area as a result of the approval of any such increase. In the event the parties cannot agree, OCFA shall have the right to protest or contest in any administrative or judicial forum as OCFA deems appropriate any approval of any such increase.

C. Waiver of Rights and Claims

Company agrees and acknowledges that there is an essential nexus between its *pro rata* share and a legitimate governmental interest and that its *pro*

rata share is roughly proportional to and reasonably and rationally related to the impacts that will be caused by development of the Project Area.

In consideration of the mutual promises and covenants set forth in this Agreement, Company, its successors and assigns, hereby waives and releases any present or future rights or claims Company, or its successors or assigns may have or possess under Government Code section 66000 et. seq. (as amended) with respect to OCFA's establishment, receipt and use of the fees required to be paid to OCFA under this Agreement so long as OCFA, or its successors in interest, continues to provide fire protection and related services to the Project Area as contemplated by this Agreement.

D. Good Faith Negotiations

Company acknowledges and agrees that OCFA is prepared to conduct a fee study that might result in an increased *pro rata* share to Company. Company desires to avoid the delay and uncertain results of such a study and enters this Agreement in good faith and in consideration for OCFA deferring such a study to a later date.

E. Severability

In the event any portion of this Agreement shall finally be determined by a court of competent jurisdiction to be unlawful, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable laws then in effect.

F. Notices

All written notices pursuant to this Agreement shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be delivered in person or sent certified or registered mail, postage prepaid and addressed as follows:

To: Orange County Fire Authority
Attn: Fire Chief
1 Fire Authority Road
Irvine, CA 92602

WITH COPY TO:
David E. Kendig, General Counsel
Woodruff, Spradlin & Smart
555 Anton Blvd., Suite 1200
Costa Mesa, CA 92626

To: Sares Regis Group
18825 Bardeen Avenue
Irvine, CA 92612

WITH COPY TO:
None

All notices provided for herein shall be deemed effective upon receipt if personally served or seventy-two (72) hours after being sent by certified or registered mail, postage prepaid.

G. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior negotiations or agreements between them pertaining to the subject matter hereof.

H. Recordation of Agreement

This Agreement and any amendment shall be recorded in the Official Records of the County of Orange by OCFA with a conformed copy being furnished to Company by OCFA within fifteen (15) days of recordation.

I. Time of the Essence

OCFA and Company agree that time is of the essence with respect to each provision of this Agreement of which time is an element.

J. Exhibits to Agreement

This Agreement includes the following Exhibits, which are attached hereto and made a part hereof:

- Exhibit A - Description of the Project Area
- Exhibit B - Fire Service Impact Fees

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K. Authorized Signatories

Company and its signatories herein covenant and represent that each individual executing this Agreement is a person duly authorized to execute this Agreement for Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

ORANGE COUNTY FIRE AUTHORITY
a California Joint Powers Authority

Date: _____ By: _____
Jeff Bowman, Fire Chief
Orange County Fire Authority

ATTEST:


By: _____ Date: _____
Sherry Wentz
Clerk of the Orange County
Fire Authority

APPROVED AS TO FORM:

DAVID E. KENDIG
GENERAL COUNSEL

By: _____ Date: _____

Sares Regis Group

Date: 4/8/19 By: 
Its Authorized representative

By: 
Its Authorized representative

SEE ATTACHED ACKNOWLEDGMENT

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT AREA

Real property in the City of Irvine, County of Orange, State of California, described as follows:

Parcel 1 and 2, BEING A DIVISION OF THE FOLLOWING:

PARCELS 1D AND 2D AS SHOWN ON EXHIBIT B ATTACHED TO LOT LINE ADJUSTMENT 579285-LL RECORDED OCTOBER 22, 2013 AS INSTRUMENT NO. 2013000592491 OF OFFICIAL RECORDS, IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

APN:

445-211-09 AND PORTIONS OF 445-211-10, 445-211-27, 445-211-43, 445-211-54, AND 445-211-61

EXHIBIT B
FIRE SERVICE IMPACT FEES

Dwelling Units	Rate	Obligation
520	\$600	\$ 312,000
Total Units – 520	\$600	<hr/> \$ 312,000

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of ORANGE)

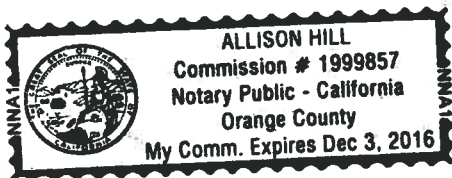
On 11/8/15 before me, ALLISON HILL, NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer

personally appeared DAVID K. POWERS and CHRISTOPHER J. CASCIOLA
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Allison Hill
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: SECURED FIRE PROTECTION AGMT VIRO APARTMENTS Document Date: 11/8/15
Number of Pages: 11 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

SECURED FIRE PROTECTION AGREEMENT

by and between the

**ORANGE COUNTY FIRE AUTHORITY,
A CALIFORNIA JOINT POWERS AUTHORITY**

and

Campos Verdes LLC & Campos Verdes I, LLC

Effective Date: _____

Project Name: Elements Site 1 Apartments Tract 17641

**ORANGE COUNTY FIRE AUTHORITY
SECURED FIRE PROTECTION AGREEMENT**

WITH

Campos Verdes LLC and Camos Verdes I, LLC

This Secured Fire Protection Agreement ("Agreement") is made between the Orange County Fire Authority, a California Joint Powers Authority ("OCFA") and Campos Verdes LLC and Campos Verdes I, LLC ("Company"), and is effective as of _____, 201____.

RECITALS

A. OCFA is a governmental entity, organized as a California Joint Powers Authority, providing fire protection and life safety services to over one million residents within the County of Orange ("County"), including the City of Irvine ("City") and all of the real property described in this Agreement.

B. This Agreement covers real property owned by Company located within the County of Orange and the City of Irvine as of the date of this Agreement, all as described on Exhibit A attached hereto. The extent of Company development for which fire protection services will be provided by Authority shall cover all of the property subject to Tentative Tract Map No. 17641.

C. Company's development of the Project Area is subject to the general development requirements and conditions (collectively, the "City Conditions") related to the provision for emergency response, fire protection services, equipment and facilities imposed by the City. The City Conditions generally include requirements for Company to enter into agreements with OCFA to ensure that Company will provide for and contribute its *pro rata* fair share costs of emergency response, fire protection services, equipment and facilities for the benefit of residents residing within the Project Area.

D. OCFA and Company believe that this Agreement contains adequate safeguards to ensure OCFA's ability to enforce the obligations of this Agreement and protect the public interest.

AGREEMENT

Based upon the foregoing Recitals and in consideration of the covenants and conditions contained in this Agreement, the parties agree to timely perform each of their respective obligations as set forth herein.

SECTION 1. DEFINITIONS

Unless the context otherwise requires, wherever in this Agreement the following terms are used, the intent and meaning shall be interpreted as provided herein.

"Agreement" means this Secured Fire Protection Agreement, including the attached Exhibits between OCFA and the Company.

"OCFA" means the Orange County Fire Authority, a governmental entity and California joint powers authority.

"City" means the City of Irvine, a member of OCFA.

"Company" means Campos Verdes LLC and Campos Verdes I, LLC

"City Conditions" means the general development requirements and conditions related to the provision of emergency response, fire protection services, equipment and facilities imposed by the City as conditions of approval on development projects proposed or undertaken in the City by Company.

"Effective Date" means the date this Agreement is approved by the OCFA Board of Directors.

"Fee" means the most current fee, as approved by OCFA or its successors or predecessors in interest, or as may be adopted by OCFA or its successors from time to time, for the funding in whole or in part of emergency response, fire protection services, equipment and facilities within the jurisdiction of OCFA.

"Project Area" means the property owned by Company within the City as of the date of this Agreement, and as more particularly described in Exhibit A.

"Security Instruments" means surety bonds, letters of credit or any other form of security or method, acceptable to OCFA, of assuring construction, installation, or provision of emergency response, fire protection services, equipment and facilities.

SECTION 2. COMPANY OBLIGATIONS

Company is in the process of developing the property in the Project Area and constructing improvements thereon that will result in regional impacts that will require emergency response, fire protection services, equipment and facilities by OCFA. In recognition and consideration of these impacts, OCFA and Company mutually agree as follows:

A. Acknowledgment of Obligations and Satisfaction of OCFA Requirements

Company acknowledges that pursuant to the City Conditions, Company is required (i) to provide a *pro rata* share of funding necessary to establish adequate emergency response, fire protection services, equipment and facilities, and (ii) contribute towards overall regional emergency response, fire protection services, equipment and facilities as provided herein in this Agreement. OCFA acknowledges that Company's performance of the obligations set forth in this Agreement constitute satisfaction of the obligations of Company for this Project. The *pro rata* share does not include standard processing fees for plan checking, permits and similar services or requirements of OCFA.

B. Pro Rata Share

1. Company agrees to pay in full its *pro rata* share as provided below:

(a) A cash contribution in an amount determined by multiplying the applicable fee in effect at the time payment is due by the number of proposed residential dwelling units and, in the case of commercial development, the square footage equivalency as determined by the formula in subparagraph (b) below (all as shown on the attached Exhibit B), within ten (10) days of issuance of the first residential or commercial building permit ("Due Date") for any portion of the property owned by Company within the Project Area as of the Effective Date. The parties agree that the applicable fee on the Effective Date is \$600/unit. The parties further agree that the Company's total funding obligation on the effective date of this Agreement is \$420,000 (all as shown on Exhibit B).

(b) Such amounts of residential dwelling units and square footage of commercial development may be adjusted according to an equivalency formula as follows: 1) commercial development square footage may be divided by 1,000 and then multiplied by 0.9 (nine-tenths or 9/10) to reach the equivalent dwelling units; 2) residential dwelling units may be divided by 0.9 (nine-tenths or 9/10) and then multiplied by 1,000 to reach the equivalent commercial square footage.

2. Nothing in this Agreement shall be construed to prohibit Company from paying all, or a portion, of the amount(s) set forth above in advance of the Due Date. Such prepayment will be calculated by multiplying \$600 or the applicable fee in effect at the time of payment by the number of units for which the Company wishes to prepay. Company will not be responsible for any subsequent fee increase that may be adopted by OCFA between the date of payment and the issuance of a building permit for the units covered by the paid fee.

3. In the event that the actual number of dwelling units, or equivalent dwelling units, built is less than 700, OCFA will make such adjustments as may be appropriate, including the payment of any refund for any amounts overpaid. At build-out, documentation satisfactory to OCFA shall be furnished to OCFA which

verifies the actual number of dwelling units, or equivalent dwelling units, constructed and that no further units, or equivalent units, shall be built on the property in the Project Area owned by Company on the Effective Date. Such documentation shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built (calculated by subtracting the total number of units, or equivalent units, built from 700, the total number of units, or equivalent units, allowed). OCFA shall refund the Company for any amounts overpaid within thirty (30) days of the earlier of (i) written notification to OCFA that the Company will build less than the 700 proposed residential dwelling units; and (ii) the date the OCFA receives the above-referenced documentation which shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built.

SECTION 3. SECURITIES

A. Security to Guarantee Payment

Within sixty (60) days after execution of this Agreement, Company shall furnish OCFA with a Faithful Performance Bond or Letter of Credit or any other security instrument acceptable to the Fire Chief and OCFA Counsel, securing Company's then remaining obligation to pay OCFA the *pro rata* share amount set forth in Section 2, subject to the following requirements:

1. Form of Security Instruments. All Security Instruments shall meet the following minimum requirements and otherwise shall be in a form acceptable to OCFA:

(a) Any insurance company acting as surety shall have a minimum rating of A, as rated by the current edition of Best's Key Rating Guide published by A.M. Best's Company, Oldwick, New Jersey 08858; any bank issuing a Letter of Credit shall have a minimum rating of AA, as rated by Moody's or Standard & Poor's; each entity acting as a surety shall be licensed to do business in California.

(b) Payments under the security instrument shall be required to be made in the County of Orange, State of California.

(c) The security instrument shall reference Company's obligations under this Agreement, shall be irrevocable, and shall include, as an additional obligation secured, the responsibility to compensate OCFA for all of OCFA's reasonable attorneys' fees and litigation expenses reasonably incurred in enforcing its rights under the security instrument.

2. Release of Security Instruments. OCFA shall release or partially release the Faithful Performance Bond or Letter of Credit, *pro rata*, upon Company's written request as and when OCFA receives payment and after acceptance of Company's final payment obligation pursuant to Section 2.

SECTION 4. DEFAULT AND ATTORNEYS' FEES

A. Remedies Not Exclusive

In any case where this Agreement provides a specific remedy to OCFA for breach or default by Company hereunder, such remedy shall be in addition to, and not exclusive of, OCFA's right to pursue any other administrative, legal or equitable remedy to which it may be entitled.

B. Attorneys' Fees and Costs

In the event of any litigation arising out of this Agreement or under any of the Security Instruments referenced herein, the prevailing party in such action, in addition to any other relief, which may be granted, shall be entitled to recover its reasonable attorneys' fees and costs. Such attorneys' fees and costs shall include fees and costs on any appeal, and all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to such litigation or arbitration. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

SECTION 5. GENERAL PROVISIONS

A. Successors and Assigns

This Agreement shall be binding upon all successors and assigns of Company's right, title, and interest in and to the Project Area and any portions thereof.

B. Density and Intensity of Development

The provisions of this Agreement shall be deemed to be in substantial compliance with all City Conditions for this Project. In the event the density or intensity of development for this Project is proposed to be increased, OCFA and Company shall meet and confer and determine whether there should be any modification to this Agreement to provide for additional services, equipment or facilities necessary to serve the Project Area as a result of the approval of any such increase. In the event the parties cannot agree, OCFA shall have the right to protest or contest in any administrative or judicial forum as OCFA deems appropriate any approval of any such increase.

C. Waiver of Rights and Claims

Company agrees and acknowledges that there is an essential nexus between its *pro rata* share and a legitimate governmental interest and that its *pro*

rata share is roughly proportional to and reasonably and rationally related to the impacts that will be caused by development of the Project Area.

In consideration of the mutual promises and covenants set forth in this Agreement, Company, its successors and assigns, hereby waives and releases any present or future rights or claims Company, or its successors or assigns may have or possess under Government Code section 66000 et. seq. (as amended) with respect to OCFA's establishment, receipt and use of the fees required to be paid to OCFA under this Agreement so long as OCFA, or its successors in interest, continues to provide fire protection and related services to the Project Area as contemplated by this Agreement.

D. Good Faith Negotiations

Company acknowledges and agrees that OCFA is prepared to conduct a fee study that might result in an increased *pro rata* share to Company. Company desires to avoid the delay and uncertain results of such a study and enters this Agreement in good faith and in consideration for OCFA deferring such a study to a later date.

E. Severability

In the event any portion of this Agreement shall finally be determined by a court of competent jurisdiction to be unlawful, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable laws then in effect.

F. Notices

All written notices pursuant to this Agreement shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be delivered in person or sent certified or registered mail, postage prepaid and addressed as follows:

To: Orange County Fire Authority
Attn: Fire Chief
1 Fire Authority Road
Irvine, CA 92602

WITH COPY TO:
David E. Kendig, General Counsel
Woodruff, Spradlin & Smart
555 Anton Blvd., Suite 1200
Costa Mesa, CA 92626

To: Campos Verdes LLC and
Campos Verdes I, LLC
9110 Judicial Dr.-OFC
San Diego, CA 92122

WITH COPY TO:
None

All notices provided for herein shall be deemed effective upon receipt if personally served or seventy-two (72) hours after being sent by certified or registered mail, postage prepaid.

G. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior negotiations or agreements between them pertaining to the subject matter hereof.

H. Recordation of Agreement

This Agreement and any amendment shall be recorded in the Official Records of the County of Orange by OCFA with a conformed copy being furnished to Company by OCFA within fifteen (15) days of recordation.

I. Time of the Essence

OCFA and Company agree that time is of the essence with respect to each provision of this Agreement of which time is an element.

J. Exhibits to Agreement

This Agreement includes the following Exhibits, which are attached hereto and made a part hereof:

- Exhibit A - Description of the Project Area
- Exhibit B - Fire Service Impact Fees

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K. Authorized Signatories

Company and its signatories herein covenant and represent that each individual executing this Agreement is a person duly authorized to execute this Agreement for Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

ORANGE COUNTY FIRE AUTHORITY
a California Joint Powers Authority

Date: _____

By: _____
Jeff Bowman, Fire Chief
Orange County Fire Authority

ATTEST:

By: _____
Sherry Wentz
Clerk of the Orange County
Fire Authority

Date: _____

APPROVED AS TO FORM:

DAVID E. KENDIG
GENERAL COUNSEL

By: David Kendig

Date: 12/2/14

Campos Verdes LLC and Campos Verdes I, LLC

Date: 12/2/14

By: _____
Its Authorized representative

By: _____
Its Authorized representative

State of California
County of San Diego

On 12/02/2014 before me, Dana Worthington Maffeo, Notary Public, personally appeared Stuart Posnock, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Dana Worthington Maffeo (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT AREA

Real property in the City of Irvine, County of Orange, State of California, described as follows:

TENTATIVE TRACT NO. 17641, BEING A DIVISION OF THE FOLLOWING:

PARCELS 1 AND 2 AS SHOWN ON A PARCEL MAP FILED IN BOOK 82, PAGES 8 AND 9 OF
PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE, CALIFORNIA

APN: 445-031-01 and 445-031-02

EXHIBIT B
FIRE SERVICE IMPACT FEES

Dwelling Units	Rate	Obligation
700	\$600	\$ 420,000
Total Units – 700	\$600	<hr/> \$ 420,000

SECURED FIRE PROTECTION AGREEMENT

by and between the

**ORANGE COUNTY FIRE AUTHORITY,
A CALIFORNIA JOINT POWERS AUTHORITY**

and

DEVELOPMENT SOLUTIONS OAK, LLC

Effective Date: _____

Project Name: THE OAKS

**ORANGE COUNTY FIRE AUTHORITY
SECURED FIRE PROTECTION AGREEMENT**

WITH

DEVELOPMENT SOLUTIONS OAK, LLC

This Secured Fire Protection Agreement ("Agreement") is made between the Orange County Fire Authority, a California Joint Powers Authority ("OCFA") and Development Solutions Oak, LLC ("Company"), and is effective as of _____, 2014.

RECITALS

A. OCFA is a governmental entity, organized as a California Joint Powers Authority, providing fire protection and life safety services to over one million residents within the County of Orange ("County"), including the City of San Juan Capistrano ("City") and all of the real property described in this Agreement.

B. This Agreement covers real property owned by Company located within the County of Orange and the City of San Juan Capistrano as of the date of this Agreement, all as described on Exhibit A attached hereto. The extent of Company development for which fire protection services will be provided by Authority shall cover all of the property subject to Tentative Tract Map No. 17441.

C. Company's development of the Project Area is subject to the general development requirements and conditions (collectively, the "City Conditions") related to the provision for emergency response, fire protection services, equipment and facilities imposed by the City. The City Conditions generally include requirements for Company to enter into agreements with OCFA to ensure that Company will provide for and contribute its *pro rata* fair share costs of emergency response, fire protection services, equipment and facilities for the benefit of residents residing within the Project Area.

D. OCFA and Company believe that this Agreement contains adequate safeguards to ensure OCFA's ability to enforce the obligations of this Agreement and protect the public interest.

AGREEMENT

Based upon the foregoing Recitals and in consideration of the covenants and conditions contained in this Agreement, the parties agree to timely perform each of their respective obligations as set forth herein.

SECTION 1. DEFINITIONS

Unless the context otherwise requires, wherever in this Agreement the following terms are used, the intent and meaning shall be interpreted as provided herein.

"Agreement" means this Secured Fire Protection Agreement, including the attached Exhibits between OCFA and the Company.

"OCFA" means the Orange County Fire Authority, a governmental entity and California joint powers authority.

"City" means the City of San Juan Capistrano, a member of OCFA.

"Company" means Development Solutions Oak, LLC

"City Conditions" means the general development requirements and conditions related to the provision of emergency response, fire protection services, equipment and facilities imposed by the City as conditions of approval on development projects proposed or undertaken in the City by Company.

"Effective Date" means the date this Agreement is approved by the OCFA Board of Directors.

"Fee" means the most current fee, as approved by OCFA or its successors or predecessors in interest, or as may be adopted by OCFA or its successors from time to time, for the funding in whole or in part of emergency response, fire protection services, equipment and facilities within the jurisdiction of OCFA.

"Project Area" means the property owned by Company within the City as of the date of this Agreement, and as more particularly described in Exhibit A.

"Security Instruments" means surety bonds, letters of credit or any other form of security or method, acceptable to OCFA, of assuring construction, installation, or provision of emergency response, fire protection services, equipment and facilities.

SECTION 2. COMPANY OBLIGATIONS

Company is in the process of developing the property in the Project Area and constructing improvements thereon that will result in regional impacts that will require emergency response, fire protection services, equipment and facilities by OCFA. In recognition and consideration of these impacts, OCFA and Company mutually agree as follows:

A. Acknowledgment of Obligations and Satisfaction of OCFA Requirements

Company acknowledges that pursuant to the City Conditions, Company is required (i) to provide a *pro rata* share of funding necessary to establish adequate emergency response, fire protection services, equipment and facilities, and (ii) contribute towards overall regional emergency response, fire protection services, equipment and facilities as provided herein in this Agreement. OCFA acknowledges that Company's performance of the obligations set forth in this Agreement constitute satisfaction of the obligations of Company for this Project. The *pro rata* share does not include standard processing fees for plan checking, permits and similar services or requirements of OCFA.

B. Pro Rata Share

1. Company agrees to pay in full its *pro rata* share as provided below:

(a) A cash contribution in an amount determined by multiplying the applicable fee in effect at the time payment is due by the number of proposed residential dwelling units and, in the case of commercial development, the square footage equivalency as determined by the formula in subparagraph (b) below (all as shown on the attached Exhibit B), within ten (10) days of issuance of the first residential or commercial building permit ("Due Date") for any portion of the property owned by Company within the Project Area as of the Effective Date. The parties agree that the applicable fee on the Effective Date is \$600/unit. The parties further agree that the Company's total funding obligation on the effective date of this Agreement is \$19,200 (all as shown on Exhibit B).

(b) Such amounts of residential dwelling units and square footage of commercial development may be adjusted according to an equivalency formula as follows: 1) commercial development square footage may be divided by 1,000 and then multiplied by 0.9 (nine/tenths or 9/10) to reach the equivalent dwelling units; 2) residential dwelling units may be divided by 0.9 (nine/tenths or 9/10) and then multiplied by 1,000 to reach the equivalent commercial square footage.

2. Nothing in this Agreement shall be construed to prohibit Company from paying all, or a portion, of the amount(s) set forth above in advance of the Due Date. Such prepayment will be calculated by multiplying \$600 or the applicable fee in effect at the time of payment by the number of units for which the Company wishes to prepay. Company will not be responsible for any subsequent fee increase that may be adopted by OCFA between the date of payment and the issuance of a building permit for the units covered by the paid fee.

3. In the event that the actual number of dwelling units, or equivalent dwelling units, built is less than 32, OCFA will make such adjustments as may be appropriate, including the payment of any refund for any amounts overpaid. At build-out, documentation satisfactory to OCFA shall be furnished to OCFA which

verifies the actual number of dwelling units, or equivalent dwelling units, constructed and that no further units, or equivalent units, shall be built on the property in the Project Area owned by Company on the Effective Date. Such documentation shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built (calculated by subtracting the total number of units, or equivalent units, built from 32, the total number of units, or equivalent units, allowed). OCFA shall refund the Company for any amounts overpaid within thirty (30) days of the earlier of (i) written notification to OCFA that the Company will build less than the 32 proposed residential dwelling units; and (ii) the date the OCFA receives the above-referenced documentation which shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built.

SECTION 3. SECURITIES

A. Security to Guarantee Payment

Within sixty (60) days after execution of this Agreement, Company shall furnish OCFA with a Faithful Performance Bond or Letter of Credit or any other security instrument acceptable to the Fire Chief and OCFA Counsel, securing Company's then remaining obligation to pay OCFA the *pro rata* share amount set forth in Section 2, subject to the following requirements:

1. Form of Security Instruments. All Security Instruments shall meet the following minimum requirements and otherwise shall be in a form acceptable to OCFA:

(a) Any insurance company acting as surety shall have a minimum rating of A, as rated by the current edition of Best's Key Rating Guide published by A.M. Best's Company, Oldwick, New Jersey 08858; any bank issuing a Letter of Credit shall have a minimum rating of AA, as rated by Moody's or Standard & Poor's; each entity acting as a surety shall be licensed to do business in California.

(b) Payments under the security instrument shall be required to be made in the County of Orange, State of California.

(c) The security instrument shall reference Company's obligations under this Agreement, shall be irrevocable, and shall include, as an additional obligation secured, the responsibility to compensate OCFA for all of OCFA's reasonable attorneys' fees and litigation expenses reasonably incurred in enforcing its rights under the security instrument.

2. Release of Security Instruments. OCFA shall release or partially release the Faithful Performance Bond or Letter of Credit, *pro rata*, upon Company's written request as and when OCFA receives payment and after acceptance of Company's final payment obligation pursuant to Section 2.

SECTION 4. DEFAULT AND ATTORNEYS' FEES

A. Remedies Not Exclusive

In any case where this Agreement provides a specific remedy to OCFA for breach or default by Company hereunder, such remedy shall be in addition to, and not exclusive of, OCFA's right to pursue any other administrative, legal or equitable remedy to which it may be entitled.

B. Attorneys' Fees and Costs

In the event of any litigation arising out of this Agreement or under any of the Security Instruments referenced herein, the prevailing party in such action, in addition to any other relief, which may be granted, shall be entitled to recover its reasonable attorneys' fees and costs. Such attorneys' fees and costs shall include fees and costs on any appeal, and all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to such litigation or arbitration. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

SECTION 5. GENERAL PROVISIONS

A. Successors and Assigns

This Agreement shall be binding upon all successors and assigns of Company's right, title, and interest in and to the Project Area and any portions thereof.

B. Density and Intensity of Development

The provisions of this Agreement shall be deemed to be in substantial compliance with all City Conditions for this Project. In the event the density or intensity of development for this Project is proposed to be increased, OCFA and Company shall meet and confer and determine whether there should be any modification to this Agreement to provide for additional services, equipment or facilities necessary to serve the Project Area as a result of the approval of any such increase. In the event the parties cannot agree, OCFA shall have the right to protest or contest in any administrative or judicial forum as OCFA deems appropriate any approval of any such increase.

C. Waiver of Rights and Claims

Company agrees and acknowledges that there is an essential nexus between its *pro rata* share and a legitimate governmental interest and that its *pro*

rata share is roughly proportional to and reasonably and rationally related to the impacts that will be caused by development of the Project Area.

In consideration of the mutual promises and covenants set forth in this Agreement, Company, its successors and assigns, hereby waives and releases any present or future rights or claims Company, or its successors or assigns may have or possess under Government Code section 66000 et. seq. (as amended) with respect to OCFA's establishment, receipt and use of the fees required to be paid to OCFA under this Agreement so long as OCFA, or its successors in interest, continues to provide fire protection and related services to the Project Area as contemplated by this Agreement.

D. Good Faith Negotiations

Company acknowledges and agrees that OCFA is prepared to conduct a fee study that might result in an increased *pro rata* share to Company. Company desires to avoid the delay and uncertain results of such a study and enters this Agreement in good faith and in consideration for OCFA deferring such a study to a later date.

E. Severability

In the event any portion of this Agreement shall finally be determined by a court of competent jurisdiction to be unlawful, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable laws then in effect.

F. Notices

All written notices pursuant to this Agreement shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be delivered in person or sent certified or registered mail, postage prepaid and addressed as follows:

To: Orange County Fire Authority
Attn: Fire Chief
1 Fire Authority Road
Irvine, CA 92602

WITH COPY TO:
David Kendig, General Counsel
Woodruff, Spradlin & Smart
555 Anton Blvd., Suite 1200
Costa Mesa, CA 92626

To: Development Solutions Oak, LLC
Attn: Eric Roedel
4600 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

WITH COPY TO:
Davidson Communities
Attn: Tim O'Grady
1302 Camino Del Mar
Del Mar, CA 92014

All notices provided for herein shall be deemed effective upon receipt if personally served or seventy-two (72) hours after being sent by certified or registered mail, postage prepaid.

G. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior negotiations or agreements between them pertaining to the subject matter hereof.

H. Recordation of Agreement

This Agreement and any amendment shall be recorded in the Official Records of the County of Orange by OCFA with a conformed copy being furnished to Company by OCFA within fifteen (15) days of recordation.

I. Time of the Essence

OCFA and Company agree that time is of the essence with respect to each provision of this Agreement of which time is an element.

J. Exhibits to Agreement

This Agreement includes the following Exhibits, which are attached hereto and made a part hereof:

- Exhibit A - Description of the Project Area
- Exhibit B - Fire Service Impact Fees

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///

///

K. Authorized Signatories

Company and its signatories herein covenant and represent that each individual executing this Agreement is a person duly authorized to execute this Agreement for Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

ORANGE COUNTY FIRE AUTHORITY
a California Joint Powers Authority

Date: _____

By: _____

Jeff Bowman, Fire Chief
Orange County Fire Authority

ATTEST:

By: _____

Date: _____

Sherry Wentz
Clerk of the Orange County
Fire Authority

APPROVED AS TO FORM:

DAVID KENDIG
GENERAL COUNSEL

By: _____

Date: _____

Development Solutions Oak, LLC,
a Delaware limited liability company

Date: December 10, 2014

By: _____



By: _____

Its Authorized representative

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT AREA

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THOSE PORTIONS OF SECTION 32, TOWNSHIP 7 SOUTH, RANGE 7 WEST, AND SECTION 5, TOWNSHIP 8 SOUTH, RANGE 7 WEST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF LOT 2 OF SAID SECTION 5, DISTANT THEREON SOUTH 0° 39' EAST 159.20 FEET FROM AN IRON STAKE MARKING THE NORTHWEST CORNER OF SAID LOT AND SOUTH 0° 39' EAST 93.20 FEET FROM A 2 INCH IRON PIPE MARKING THE NORTHWEST CORNER OF THAT CERTAIN 10.12 ACRE PARCEL DESCRIBED IN A DEED RECORDED IN BOOK 718, PAGE 480 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA; THENCE NORTH 41° 03' EAST 629.32 FEET PARALLEL WITH AND DISTANT 62 FEET SOUTHEASTERLY MEASURED AT RIGHT ANGLES, FROM THE NORTHWESTERLY LINE OF THE ABOVE-MENTIONED 10.12 ACRE PARCEL; THENCE SOUTH 48°57' EAST 167.91 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF THE 10.12 ACRE PARCEL ABOVE REFERRED TO; THENCE SOUTH 43° 56' WEST 775.00 FEET ALONG SAID SOUTHEASTERLY LINE TO THE MOST SOUTHERLY CORNER OF THE ABOVE-MENTIONED 10.12 ACRE PARCEL; THENCE NORTH 0° 39' WEST ALONG THE WEST LINE OF SAID LOT 2 TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION, IF ANY, LYING WITHIN TRACT NO. 13101, IN THE CITY OF SAN JUAN CAPISTRANO, AS SHOWN ON A MAP FILED IN BOOK 588, PAGES 27 THROUGH 30, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THOSE PORTIONS OF SECTION 32, TOWNSHIP 7 SOUTH, RANGE 7 WEST AND SECTION 5, TOWNSHIP 8 SOUTH, RANGE 7 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY AN IRON PIPE WHICH BEARS SOUTH 0° 39' EAST 66 FEET FROM AN IRON STAKE, MARKING THE NORTHWEST CORNER OF LOT 2 OF SAID SECTION 5, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 4 OF SAID SECTION 5, AND RUNNING THENCE NORTH 41° 30' EAST 1698.2 FEET TO AN INTERSECTION WITH THE SOUTHWESTERLY LINE OF RANCHO MISSION VIEJO; THENCE SOUTH 54° 15" EAST ALONG SAID RANCH LINE 290 FEET TO A POINT; THENCE SOUTH 43° 56' WEST 1941.8 FEET TO A POINT IN THE WEST LINE OF LOT 2 OF SAID SECTION 5; THENCE NORTH 0° 39' WEST 287 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION OF SAID LAND AS CONVEYED TO THE CAPISTRANO WATER CO., BY DEED RECORDED FEBRUARY 10, 1942 IN BOOK 1138 PAGE 216, OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF SAID LAND DISTANT THEREON SOUTH 0° 39' EAST 159.20 FEET FROM AN IRON STAKE MARKING THE NORTHWEST CORNER OF LOT 2 OF SAID SECTION 5, AND SOUTH 0° 39' EAST 93.20 FEET FROM A 2" IRON PIPE MARKING THE NORTHWEST CORNER OF SAID LAND; THENCE NORTH 41° 03' EAST 629.32 FEET PARALLEL WITH AND DISTANT 62 FEET SOUTHEASTERLY MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY BOUNDARY OF SAID LAND; THENCE SOUTH 48° 57' EAST 167.91 FEET TO A POINT IN THE SOUTHEASTERLY BOUNDARY OF SAID LAND; THENCE SOUTH 43° 56' WEST 775.00 FEET ALONG SAID SOUTHEASTERLY BOUNDARY TO THE MOST SOUTHERLY CORNER OF SAID LAND DESCRIBED ABOVE; THENCE NORTH 0' 39' WEST ALONG THE WESTERLY BOUNDARY OF SAID LAND TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION, IF ANY, LYING WITHIN TRACT NO. 9204, IN THE CITY OF SAN JUAN CAPISTRANO,

AS SHOWN ON A MAP FILED IN BOOK 423, PAGES 17 THROUGH 19, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION, IF ANY, LYING WITHIN TRACT NO. 13101, IN THE CITY OF SAN JUAN CAPISTRANO, AS SHOWN ON A MAP FILED IN BOOK 588, PAGES 27 THROUGH 30, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,

ALSO EXCEPTING THEREFROM THAT PORTION, IF ANY, LYING WITHIN PARCEL 104 OF CERTIFICATE OF COMPLIANCE NO. CC2001-01, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, RECORDED JULY 26, 2001 AS INSTRUMENT NO. 20010508635 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, PETROLEUM, GAS, NAPHTHA OR OTHER HYDROCARBON SUBSTANCES LYING UPON OR UNDERNEATH SAID LAND, TOGETHER WITH RIGHT OF SURFACE ENTRY FOR PROPER DEVELOPMENT OF SALE OF THE SAME AND ALSO EXCEPTING FOR THE BENEFIT OF OTHER LAND OWNED BY GRANTOR HEREIN ALL WATER IN, UPON OR BENEATH SAID LAND, AS RESERVED IN THE DEED FROM TITLE INSURANCE AND TRUST COMPANY, A CORPORATION, RECORDED APRIL 13, 1920 IN BOOK 358, PAGE 364 OF DEEDS, AND IN DEED FROM ORANGE COUNTY TRUST AND SAVINGS BANK, RECORDED APRIL 13, 1920 IN BOOK 321, PAGE 229 OF DEEDS.

PARCEL 3:

PARCEL 1, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 51, PAGE 29 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

PARCEL 2, IN THE CITY OF SAN JUAN CAPISTANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 51, PAGE 29 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTRY RECORDER OF SAID COUNTY.

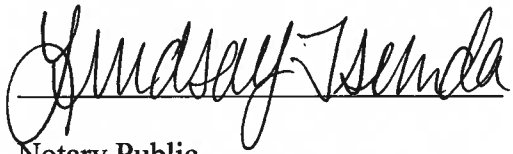
EXHIBIT B
FIRE SERVICE IMPACT FEES

Dwelling Units	Rate	Obligation
32	\$600	\$ 19,200
Total Units – 32	\$600	\$ 19,200

STATE OF MINNESOTA

COUNTY OF HENNEPIN

This instrument was acknowledged before me December 10, 2014 by Judd Gilats as Vice President of Development Solutions OAK, LLC.

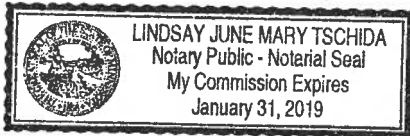
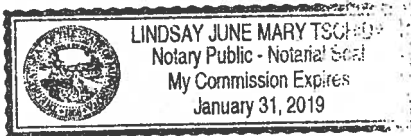


Notary Public

Printed Name: Lindsay Tschida

My Commission Expires:

January 31, 2019





Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 3C
Consent Calendar

2015 OCFA Grants Priorities

Contact(s) for Further Information

Sandy Cooney, Director Corporate Communications	sandycooney@ocfa.org	714.573.6801
Jay Barkman, Legislative Analyst	jaybarkman@ocfa.org	714.573.6048

Summary

This agenda item is the annual transmittal of the OCFA's Grants Priorities for the upcoming year and is submitted to the Committee in compliance with the Board adopted Grants Policy.

Prior Board/Committee Action

At its January 15, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

Approve OCFA's Grant Priorities for 2015.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Depending on specific grants and their requirements for matching funds there will be an impact to OCFA's budget. Grant applications are submitted with the approval of executive management and knowledge of those matching requirements.

Background

The Board of Directors adopted a formal Grants Policy at its meeting on November 17, 2011. The policy requires staff to annually present status of past grants and identify priorities for the upcoming year. The intent is not to provide an all-inclusive list of grants and projects that OCFA staff may pursue over the next year. As best as possible, staff identified grants and projects where there are existing needs and resources available. As opportunities arise in the future, staff will consider application if an appropriate project and resources are available. This will be done in compliance with the Board adopted Grants Policy.

Attachment(s)

Grant Priorities 2015

2015 OCFA Grant Priorities

Listed below are the major grant programs OCFA considers annually for application of projects that may be eligible along with a description of past and in some cases future projects staff has identified for submission.

Assistance to Firefighters Grant (AFG)

This federally funded grant is administered by the Federal Emergency Management Agency (FEMA) and seeks to improve firefighter safety by funding local projects in the categories of training, personal protective and firefighting equipment, wellness and fitness programs and interoperability. Past and pending applications include:

- Award- January 2012 purchase of 385 Self Contained Breathing Apparatus (SCBAs) for a total of \$1,742,317.
- Award- December 2012 purchase of 16 Thermal Imaging Cameras for \$172,400. As a result of a lower price than originally budgeted OCFA was able to purchase six additional cameras with grant funds.
- Application Pending- December 2014 request for extrication and rescue equipment for \$548,095 to purchase new hand and power tools, protective gloves and training. The primary purpose of this application is to purchase improved power tools better suited for working with the higher end and reinforced cars that are common in Southern California.

Fire Prevention and Safety Grant (FPS)

This FEMA grant is targeted at activities that improve community safety. Typical priorities are projects that purchase and install smoke alarms; provide education on identified community risks, arson prevention, sprinkler and other prevention related projects. The 2014 funding cycle is set to open on March 16, 2015. Staff is considering projects such as wildland fire education activities, educational materials and curriculum, or drowning prevention projects.

Staffing for Adequate Fire and Emergency Response (SAFER)

The SAFER grant funds the hiring or rehiring of firefighters. The next funding cycle is set to open for application on February 9, 2015. This grant was significantly revised in 2009 to focus on fire departments that experienced significant declines in staffing due to the economic recession. The following priorities were established by FEMA:

1. Rehiring laid-off firefighters
2. Retention of firefighters who face imminent layoff and/or filling positions vacated through attrition, but not filled due to economic circumstances
3. Hiring new firefighters

The OCFA has not submitted an application in recent years due to the following concerns:

- Lack of OCFA's competitiveness in relation to FEMA priorities.
- OCFA's hiring constraints conflicts with grant rules requiring staffing levels to remain constant throughout grant period.

The OCFA would be eligible to submit an application for adding fourth firefighter/medics provided there was a net increase in positions. If OCFA sought to only realign current positions an application would not be eligible. Additional positions may be needed to add a fourth firefighter/medic to all OCFA engines. An application for this project would be eligible and is being researched by staff.

Pre-disaster Mitigation Grant (PDM)

This grant program administered by FEMA funds projects that mitigate hazards identified by local agencies ranging from flood, wind storm, earthquake and wildfire. The OCFA received \$252,000 under this program and has taken the following actions over 2014:

- Identified Fire Station 41 (Fullerton Airport) as needing a permanent backup generator to operate hangar doors in event of power loss and a delay in helicopter response.
- Requested Cal-OES and FEMA review of eligibility of project and secured approval.
- July 9, 2014 Budget and Finance approves directing funds to address risks present at Fire Station 41 that would threaten the operations of OCFA's helicopters during a major disaster.
- Application to be submitted in February pending additional details from Property Management related to the placement, permitting and approvals required by City of Fullerton.

SRA Fee Grant

The Governor's 2014 Budget included \$10 million from the State Responsibility Area fee to fund grants for education and fuel removal in the SRA. According to CAL FIRE's grant staff over \$50 million worth of requests has been submitted across the State.

In the 2014 funding cycle the OCFA submitted 20 proposals either for OCFA's direct benefit or for other organizations that oversee public lands within the SRA for a total of \$1,909,923. Projects recently invited to submit a full project application are noted below in parenthesis.

Audubon Starr Ranch \$158,368 (*Invited*)

- 158 acres of fuel reduction
- Primary activities: Hazardous Fuel Mitigation, Fire and Emergency Access, Fuel Break Construction
- Resources: OCFA Hand crew, Heavy Equipment and Private Contracts

Irvine Ranch Conservancy (IRC) \$330,000

- Countywide research and planning
- Primary activities: Field and remote assessments, risk mapping, intervention plans and proposals for capital funding on Orange County roads.
- Resources: Consultants and private contractors.

OCFA \$363,100 (*Two invited under education/planning*)

- Two fuel reduction projects for 33 acres across Coto de Caza and Fire Safe Councils East Orange County.

- Three education/planning projects- Roadside message board to provide messaging for fire safe councils; countywide wildfire education (*invited*); development of a countywide Community Wildfire Protection Plan (*invited*).
- Primary activities: hazardous fuel mitigation, fire and emergency access, educational materials, planning/mapping.
- Resources: OCFA Handcrew, Heavy Equipment, and Consultants.

Orange County Firewatch \$34,650 (*One project invited*)

- Two educational projects- The first focused on providing public information, training and signage for red flag patrol program. Second, purchasing Smokey the Bear signs and other fire danger signs for all park areas within SRA (*invited*).
- Primary activities: Purchase of materials and training volunteers.
- Resources: OCFA Pre-Fire Management and IRC personnel.

Orange County Park \$659,382 (*All invited*)

- Six fuel reduction projects for 102 acres in Caspers, Riley, Aliso Woods Canyon, and O'Neill Park
- Primary activities: Hazardous Fuel Mitigation; Fire and Emergency Access; Fuel Break Construction
- Resources: OCFA Handcrew, Heavy Equipment and Private Contracts

Rancho Mission Viejo \$364,423 (*Six Invited*)

- Seven projects for 70 acres of fuel reduction.
- Primary activities: Hazardous Fuel Mitigation; Fire and Emergency Access; Fuel Break Construction
- Resources: OCFA Handcrew, Heavy Equipment and Private Contracts

Fire Safe California Grants Clearinghouse

The Grants Clearinghouse is a program of the California Fire Safe Council (CFSC) that administers grants funding from the US Forest Service, Bureau of Land Management, and the Department of Interior.

- Award- January 2013 hazardous fuel removal in Peters Canyon/Cowan Heights for \$158,064. Completed in December 2014.
- Pending- Above SRA projects not funded are being considered for submission.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 3D
Consent Calendar

2015 OCFA Legislative Policy Guidelines

Contact(s) for Further Information

Sandy Cooney, Director sandycooney@ocfa.org 714.573.6801
Corporate Communications

Jay Barkman, Legislative Analyst jaybarkman@ocfa.org 714.573.6048

Summary

This item is submitted for approval and adoption of the OCFA 2015 Legislative Policy Guidelines.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Adopt the 2015 OCFA Legislative Policy Guidelines and direct OCFA staff to initiate procedures to implement those policies.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

The purpose of the OCFA Legislative Policy Guidelines is to provide a framework for the advocacy efforts of the Board of Directors, legislative advocates, and OCFA staff. Most policy guidelines are derived from past legislative history, anticipated legislation, or government action and prior Board policy. This framework provides a structure for the Authority to respond to State and Federal issues in a timely and effective manner.

During the course of the legislative year, we anticipate a number of bills will be introduced that may or may not fall within policy areas identified in the attached. Staff will provide analysis and a recommended position on legislation, regulation or budget proposals to the Executive Committee for its approval.

Attachment(s)

Proposed OCFA 2015 Legislative Policy Guidelines

2015 OCFA LEGISLATIVE POLICY GUIDELINES

The OCFA staff will communicate the below policy positions throughout the year on various measures whether legislative, regulatory or budget related. Formal positions will be brought to the Executive Committee on specific bills and other items for adoption.

Firefighter and Community Safety, Disaster Preparedness

1. Community Protection
 - 1.1. Support efforts to streamline enforcement, licensing and permitting of Safe and Sane Fireworks in conjunction with improving disposal of seized fireworks.
 - 1.2. Support efforts to improve Wildland fire safety through education, fuel reduction and planning.
 - 1.3. Oppose mandated statewide restrictions or new fees that eliminate discretionary input by local agencies, fire departments or communities on development in the Wildland Urban Interface.
 - 1.4. Support measures that improve or incentivize residents and businesses to take actions that mitigate threat to property and wildland fire.
 - 1.5. Support arson investigation and prosecution measures.
 - 1.6. Support funding by State and Federal government for emergency planning and response to terrorism and natural disasters.

2. Emergency Medical Service, Firefighting Equipment & Communications
 - 2.1. Support measures that increase Medi-CAL reimbursement to fire departments for ambulance transport and paramedic treatment.
 - 2.2. Support measures that increase county and city authority to exercise local oversight and administration of the EMS system, including the design of service areas and contracting for service.
 - 2.3. Support funding and the adoption of standards that improve firefighter safety that do not mandate excessive costs or new administrative measures on local agencies.
 - 2.4. Oppose diversion of State 911 Funds to be used for purposes other than 911 related positions and equipment.
 - 2.5. Support increased fines and penalties on false or abusive 911 calls.

Administrative

1. Revenues, Fees, and Taxes
 - 1.1. Oppose the diversion of local revenues, fees and taxes by the State.
 - 1.2. Support oversight of State Responsibility Area fee and equitable distribution of funds associated with fee.

2. Workers Compensation, Public Works and Miscellaneous
 - 2.1. Oppose expansion or addition of new presumptive injuries or illnesses that force local agencies to provide benefits without considering if the injury or illness is related to employment.
 - 2.2. Support measures that limit OCFA's legal or insurance liabilities.

National Urban Search and Rescue Team (US&R)

The OCFA is a sponsoring agency of California Task Force 5, one of 28 Task Forces across the country. These are FEMA supported Task Forces that provide a federal response capability to nationally declared disasters. The OCFA is responsible for administering federal funds to train and maintain local personnel and equipment that is deployed to national incidents.

The 28 local agencies who act as sponsoring agencies gathered in December of 2014 and agreed to continue efforts to:

- Secure current appropriations level and pursue necessary increases to obtain full funding.
- Support legislation that recognize the current 28 Task Forces and authorizes permanent funding along with:
 - Establishing an advisory committee comprised of representatives from the 28 local sponsoring agencies,
 - Protecting local agencies from worker compensation liabilities,
 - Protecting civilian task force members from issues related to State professional licensing and employment discrimination.

DHS & FEMA Grant Programs

The OCFA will work with other national groups to support increased federal funding of Fire Act grants from FEMA, Urban Area Security Initiative funding from Department of Homeland Security, and other related grant programs. This will include urging increased flexibility in grant programs to account for local economic hardships and difficulties in meeting match requirements.

State Budget

Governor Brown's 2014 Budget provided increased funding to CAL FIRE and began to reverse previous reductions made in prior budgets. As one of six Contract Counties the OCFA benefitted with increased funding as part of our contract to protect SRA. This funding assists OCFA in staffing fire stations near the wildland. In 2015 the OCFA will seek to:

- Restore contract county funds eliminated in 2012 that provided monies for capital outlay projects. Up until 2012 funding was provided proportionally based on CAL FIRE's funding.
- Restore funding for the SRA Grant Program. This grant was newly created in Governor's 2014 Budget and over \$50 million in local requests was submitted. Funds can pay for fuel removal, education and planning projects. The OCFA is proceeding through the application process and after the first round has 15 projects approved for over \$1 million. No funding was included in the Governor's 2015-16 Budget released on January 9, 2015. The OCFA will urge the restoration of grant funds in 2015.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 3E
Consent Calendar

**Amendment to Agreement with the City of Santa Ana
for Use of Community Development Block Grant Funds**

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6023
Steve Chambers, Property Manager	stevechambers@ocfa.org	714.573.6471

Summary

This report seeks approval and authorization for the Fire Chief to enter into an amendment to extend the agreement with the City of Santa Ana to allow OCFA to obtain U.S. Department of Housing and Urban Development Community Block Grant Funds (CDBG) to improve nine (9) fire stations located within the City of Santa Ana.

Prior Board/Committee Action

At its September 26, 2013, meeting, the Board of Directors approved an agreement between the City of Santa Ana and the Orange County Fire Authority (OCFA) for the use of U.S. Department of Housing and Urban Development Community Development Block Grant Funds.

Recommended Action(s)

Approve and authorize the Board Chair to execute the proposed amendment to the agreement between the City of Santa Ana and OCFA to extend Agreement A-2013-173.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

The City of Santa Ana has historically received Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development to be used for community development related purposes, including use to improve fire safety services within specific communities. With the transfer of Santa Ana fire services to the OCFA, CDBG funds in the amount of about \$890,000 were available for OCFA to conduct improvement projects to nine of the ten fire stations in Santa Ana. One station, Fire Station 70 is not within the zone authorized for CDBG funds. In June 2013, OCFA submitted a request for use of the CDBG to the City of Santa Ana. The request included projects for nine stations along with preliminary budgets. The projects were approved by Santa Ana and in order to use the funds, the OCFA executed a sub-recipient agreement with the City of Santa Ana.

The initial term of the original sub-recipient agreement was through December 31, 2014, and in order to remain in compliance with CDBG regulations, the City of Santa Ana has provided the attached amendment to extend the original agreement until June 30, 2015, with all other conditions remaining intact in order to complete the fire station improvements.

This fire station improvement projects are nearing completion and are estimated to be complete by the months-end.

Attachment(s)

Proposed Amendment to the City of Santa Ana Agreement A-2013-17

**AMENDMENT TO AGREEMENT BETWEEN
THE CITY OF SANTA ANA AND ORANGE COUNTY
FIRE AUTHORITY FOR USE OF COMMUNITY
DEVELOPMENT BLOCK GRANT FUNDS**

THIS AMENDMENT TO ORANGE COUNTY FIRE AUTHORITY CDBG AGREEMENT made and entered into this 23 day of December, 2014, by and between the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”) and the Orange County Fire Authority, a Joint Powers Authority organized pursuant to California Government Code Section 6500 *et seq.*, (“Subrecipient”).

RECITALS:

- A. The parties entered into that certain Agreement A-2013-173, dated November 18, 2013 (hereinafter “said Agreement”) by which City agreed to expend Community Development Block Grant (“CDBG”) funding in order to pay for work and capital improvements as defined in the scope of work attached to said Agreement.
- B. The parties desire to amend the term of the Agreement to provide for an additional six (6) month period in which the work and capital improvements may be completed.

WHEREFORE, in consideration of the covenants contained in said Agreement, and subject to all the terms and conditions of said Agreement, except those amended in this Amendment to Agreement, the parties agree as follows:

- 1. Page 2, Section “B” of the Agreement, entitled AMOUNT OF GRANT AND GRANT DISBURSEMENT, shall be amended and updated to include the following:

“The amount granted to SUBRECIPIENT hereunder is Eight Hundred Ninety Thousand Dollars (\$890,000) (“CDBG FUNDS”), and such funds shall be expended by SUBRECIPIENT on or before June 30, 2015.”
- 2. Page 3, Section “D” of the Agreement, entitled ALLOWABLE COSTS, shall be amended and updated to include the following:

“SUBRECIPIENT agrees to complete said Project on or before June 30, 2015 and to use said funds to pay for necessary and reasonable costs allowable under the federal law and regulations to perform said Project.”
- 3. Except as hereinabove amended, all terms and conditions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement on the date and year first written above.

ATTEST:

CITY OF SANTA ANA

Maria D. Huizar
Clerk of the Council

David Cavazos
City Manager

APPROVED AS TO FORM:

SONIA CARVALHO
City Attorney

By: _____
Kyle C. Nellesen
Deputy City Attorney

ATTEST:

ORANGE COUNTY FIRE AUTHORITY

Sherry A.F. Wentz
Clerk of the Board

Elwyn A. Murray, Chair
Board of Directors

APPROVED AS TO FORM:

DAVID E. KENDIG
General Counsel



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 4
Public Hearing(s)

There are no items for Section 4
PUBLIC HEARING(S).



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 5A
Discussion Calendar

**Approval of Memorandum of Understanding
General and Supervisory Units Orange County Employees Association**

Contact(s) for Further Information

Jeremy Hammond, HR Director jeremyhammond@ocfa.org 714.573.6018
Business Services Department

Lori Zeller, Assistant Chief lorizeller@ocfa.org 714.573.6020
Business Services Department

Summary

This item is submitted for approval of a Memorandum of Understanding (MOU) between the Orange County Fire Authority and the Orange County Employees Associations (OCEA), effective December 19, 2014. This proposed MOU accomplishes the Board's goal to achieve employee's payment of 100% of their employee retirement contributions.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Approve the proposed General and Supervisory Unit MOU between the Orange County Fire Authority and the Orange County Employees Association, for a term of December 19, 2014, to December 15, 2017.

Impact to Cities/County

Increases to OCFA's salary and benefit costs can result in increases to our Cash Contract Cities charges. The net cost of the proposed MOU represents an average increase of approximately 0.10% per year for three years to OCFA's annual expenditure budget; therefore, the estimated impact to our Cash Contract Cities is approximately 0.10% per year more than status-quo, effective in FY 2015/16.

Fiscal Impact

The annual, cumulative fiscal impact of the proposed MOU is estimated to be \$303,017 in year one, \$686,726 in year two, and \$1,338,435 in year three, for a three year total cost of \$2,328,179.

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.

OCEA currently represents 213 authorized/active positions within the General and Supervisory Units. The previous MOU for OCEA had been amended and extended on multiple occasions,

resulting in an MOU term that originally began in 2006 and was extended by mutual agreement through 2014. Our current negotiations began in September 2014, and the OCFA Board appointed a professional labor negotiator (Peter Brown, Liebert Cassidy Whitmore) to serve as the Chief Negotiator. The Board directed Mr. Brown to pursue a new successor MOU, rather than following the prior practice of amending and extending the existing MOU.

We are pleased to report that a Tentative Agreement (TA) was reached with OCEA on December 16, 2014. Since December 16, we have completed the detailed language requirements for the MOU, and OCEA has held meetings with its membership to review the proposed terms. Formal ratification of the MOU by OCEA members is underway, with a final vote expected to be complete by January 14, 2015, which is eight days prior to the January 22, 2014 OCFA Board meeting.

A summary of the significant deal points in the proposed MOU include:

- Term: December 19, 2014 to December 15, 2017
- Wages: Effective March, 2015, 2016 and 2017, a 2.75%, 2.5% and 3% salary increase, respectively, will be provided. In addition, bilingual pay is increased from \$35 per month to \$135 per month for eligible employees to further incentivize this skill.
- Retirement: Effective March, 2015, 2016 and 2017, employees hired prior to January 1, 2013, will pay an additional 2%, 2.5% and 3% in employee retirement contributions, respectively, increasing from 9% to 16.5%. Thereafter, these employees will pay any subsequent increases in the 50% normal cost for employee retirement contributions. Employees hired after PEPRA was enacted will continue to be subject to PEPRA requirements of 50% of normal cost for employee retirement contributions, which vary based on age of entry.
- Overtime: Effective March 6, 2015, sick leave and vacation hours taken will no longer count as hours worked for purposes of earning overtime pay (1.5).
- Holiday & Leave Accruals: One additional holiday (Christmas Eve) is provided per year.
- Work Schedule: Employees may be allowed to work a 4/10 schedule with approval of Executive Management (not subject to the filing of a grievance).
- Classification Studies: The parties have agreed to conduct classification/compensation studies on three pre-defined classifications and upon completion, will reopen labor negotiations to negotiate over compensation and classification for these positions.
- Reopener: The parties have agreed to a reopener to discuss the 24 hour work shift for Fire Communications Dispatchers after July 1, 2016.

The annual, cumulative fiscal impact of the proposed MOU is estimated to be \$303,017 in year one, \$686,726 in year two, and \$1,338,435 in year three, for a three year total cost of \$2,328,179. With the mid-year implementation of the MOU, staff anticipates a net cost of approximately \$122,000 to occur in FY 2014/15. Upon approval of the MOU, budget staff will include the salary and benefit changes in the mid-year budget adjustments for review by the Board in March 2015.

Attachment(s)

Proposed redlined version of Memorandum of Understanding (MOU) between the Orange County Fire Authority and the Orange County Employees Association (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.)

Tentative Agreement - December 16, 2014

**MEMORANDUM OF UNDERSTANDING
RELATING TO EMPLOYEES IN THE GENERAL AND SUPERVISORY
MANAGEMENT REPRESENTATION UNITS**

20~~14~~06–201~~7~~4

ORANGE COUNTY FIRE AUTHORITY

AND

ORANGE COUNTY EMPLOYEES ASSOCIATION

FOR THE

GENERAL AND SUPERVISORY MANAGEMENT UNITS

This is a consolidated Memorandum of Understanding that sets forth the terms of agreement reached between the Orange County Fire Authority and the Orange County Employees Association, as the Exclusively Recognized Employee Organization for the General Unit and Supervisory Management Unit for the period beginning ~~December 14, 2006,~~ December 19, 2014 through December 15, 2017 ~~December 18, 2014.~~ Unless otherwise indicated herein, all provisions shall become effective December 14, 2006. All economic provisions go into effect either on the date specifically provided for in this MOU or on the first date of the pay period following Board approval if not specifically addressed.

IMPLEMENTATION

This Memorandum of Understanding constitutes a mutual recommendation that was officially ratified by majority vote of the members of the Orange County Employees Association (OCEA) on ~~August 10, 2006~~, and approved by the Orange County Fire Authority Board of Directors on ~~September 28, 2006~~.

~~The parties to this Agreement have initiated additional subsequent negotiations on provisions within this Agreement, and have presented a mutual recommendation that was officially ratified by majority vote of the members of the Orange County Employees Association (OCEA) and the Orange County Fire Authority Board of Directors on May 26, 2011. The provisions set forth in bold face, italic type and dated 05/26/11 contain the revisions made to the parties' original 2006-2011 M.O.U., which is currently extended 2011-2014.~~

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DEFINITIONS

The following terms as used in this Memorandum of Understanding (“MOU”) shall, unless the context clearly indicates otherwise, have the respective meanings herein set forth:

ASSOCIATION shall mean the Orange County Employees Association (OCEA).

AUTHORITY shall mean the Orange County Fire Authority (OCFA). The Authority is a joint powers agency that was created to discharge the functions of the Orange County Fire Department and which—effective March 1, 1995—became the successor organization to the Orange County Fire Department.

BOARD shall mean Board of Directors of the Authority.

BOARD OF RETIREMENT shall mean the Board of Retirement of the Orange County Employees Retirement System (OCERS).

COMPENSATION EARNABLE shall mean the employee’s hourly rate and any other compensation the employee receives that is used by the Orange County Employees Retirement System (OCERS) in calculating the employee’s Average Monthly Compensation.

CONTINUOUS SERVICE shall mean employment in a regular position that has not been interrupted by resignation, discharge, or retirement. Official Leaves of Absence shall not constitute a break in continuous service. For those employees who transitioned directly from the County of Orange to Authority employment prior to September 1, 1995, continuous service shall include prior continuous service with the County of Orange.

COUNTY shall mean the County of Orange and special districts governed by the Board of Supervisors.

DEPARTMENT shall mean a Department within the Authority such as Business Services, Operations, Fire Prevention, and Support Services.

DEPARTMENT HEAD shall mean an executive manager of the Authority who is responsible for a Department within the Authority (for example, Assistant Chief of Operations, Assistant Chief of Business Services, Assistant Chief of Fire Prevention, and Assistant Chief of Support Services).

ELIGIBLE FORMER EMPLOYEE means an Employee who meets the coverage and participation requirements set forth in Sections 3.2.1 and 3.2.2 of the Retiree Medical Plan at the time of his/her termination of employment with the Authority.

ELIGIBLE RETIREE mean a retiree who is receiving a monthly retirement allowance from the Orange County Employees Retirement System (OCERS), who meets the coverage and participation requirements set forth in Section 3.1 and 3.2 of the Retiree Medical Plan, and whose coverage has not been terminated under Section 3.3 of the Retiree Medical Plan.

EMERGENCY shall mean an unforeseen circumstance requiring immediate action, a sudden unexpected happening, an unforeseen occurrence or condition, or a pressing necessity.

EMPLOYEE shall mean a person employed by the Authority and covered by terms of this ~~MOU Memorandum of Understanding~~, except where the natural construction of this ~~MOU Memorandum of Understanding~~ indicates otherwise.

EXECUTIVE MANAGEMENT shall mean Executive Management as defined in the Personnel and Salary Resolution.

EXTRA HELP EMPLOYEE shall mean an employee employed in an extra help position. An extra help employee serves at the pleasure of the Authority in an extra help position.

EXTRA HELP POSITION shall mean a position which is intended to be occupied on less than a year-round basis including, but is not limited to, the following: to cover seasonal peak workloads, emergency extra workloads of limited duration, necessary vacation relief, paid sick leave, and other situations involving a fluctuating staff. Ordinarily, a full-time extra help position shall not be authorized for a period exceeding six (6) months. In unusual circumstances, and at the discretion of the Fire Chief and the Human Resources Director, a full-time extra help position may be authorized for a period longer than six (6) months, provided such period shall not exceed one (1) year.

FIRE CHIEF shall mean the person who is the principal officer or employee of the Authority.

FISCAL YEAR shall mean a period from July 1 through June 30.

FULL-TIME EMPLOYEE shall mean an employee employed in a regular or limited-term position whose normally assigned work hours equal those of a full workweek or work period as described hereinafter.

GENERAL UNIT shall mean positions designated under the General Unit as specified in Appendix A.

HUMAN RESOURCES DIRECTOR shall mean the Human Resources Director or his/her designee.

LIGHT DUTY shall mean temporary modified (light duty) assignment.

LIMITED-TERM EMPLOYEE shall mean an employee employed in a limited-term position, except where a regular position is converted to a limited-term position, in which case, the incumbent shall retain his/her former status. As an exception to this definition, a limited-term employee may also be used to fill a regular position when the incumbent employee is on Official Leave of Absence.

LIMITED-TERM POSITION shall mean a position that the Authority has determined has no anticipated long-range funding or has uncertain future funding.

MEAL-TIME shall mean a bona fide meal period. This is a rest period where the employee is relieved from work for the purposes of eating a regular meal.

OCEA shall mean the Orange County Employees Association.

~~**OCEA-REPRESENTED UNIT(S)** shall mean either the General Unit or Supervisory Management Unit, or both Units.~~

OCFA shall mean the Orange County Fire Authority.

PART-TIME EMPLOYEE shall mean an employee employed in a regular or limited-term position whose normally assigned work hours do not equal those required of a full-time employee.

PERSONAL EMERGENCY shall mean an unforeseen event or circumstance of a serious nature that is beyond an employee's control and that necessitates the employee's absence from Authority duty, including, but is not limited to, those events and circumstances that require the employee's prompt attention to avoid possible financial loss to, or damage to the health of, either the employee or a member of his/her household.

~~**PRACTICABLE** shall mean economically feasible or reasonably able to accomplish.~~

PROBATIONARY EMPLOYEE shall mean an employee who is serving a probation period and is employed in a regular or limited-term position.

PROMOTION shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class where the maximum step on the new salary range is at least one (1) full step higher than the maximum step of the old salary range.

REASSIGNMENT shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class on the same salary range or to a class where the maximum step on the new salary range is less than one (1) full step higher or lower than the maximum step of the old salary range.

RECRUITING STEP shall be the first step of the salary range allocated to a class, unless otherwise authorized by the Board or the Human Resources Director.

REDUCTION shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class where the maximum step of the new salary range is at least one (1) full step lower than the maximum step of the old salary range.

REEMPLOYED EMPLOYEE shall mean an employee who is reemployed by the Authority in accordance with the eligibility requirements identified in the OCFA Selection Rules and Appeals Procedure.

REGULAR EMPLOYEE shall mean an employee who is not on probation and is employed in a regular or limited-term position.

REGULAR POSITION shall mean a position established on a permanent year-round basis requiring work on a regular schedule, unless otherwise authorized by minute order of the Board.

~~**REINSTATED EMPLOYEE** shall mean an employee who is reinstated by the Authority in accordance with the LAYOFF PROCEDURE.~~

SENIORITY shall mean total continuous full-time equivalent service as a regular employee, unless the context herein indicates otherwise.

SERVICE for the purpose of determining benefits under the Retiree Medical Insurance Grant shall mean service for the Authority and shall include service for the County of Orange, if the employee/retiree transitioned directly from County employment to Authority employment no later than September 1, 1995, and has been continuously employed by the Authority until retirement. When the word SERVICE is printed in all uppercase letters, it refers to this definition.

SLEEP-TIME shall mean a bona fide regularly scheduled sleeping period as defined by the Fair Labor Standards Act.

SUPERVISORY MANAGEMENT UNIT shall mean positions designated under the Supervisory Management Unit as specified in Appendix A.

Y-RATE shall mean a the employee's pay rate remains unchanged until the maximum of the employee's new range exceeds the salary employee was receiving before his/her position was reclassified downward (i.e., reduced) outside of the assigned salary range of a class.

ARTICLE I

WORK HOURS AND , OVERTIME, AND PREMIUM PAY

Section 1. Work Hours

A. The official workweek or work schedule for all OCEA-represented employees shall be as follows:

~~0.1. 1.~~ Except as otherwise provided below, the ~~official~~ workweek for full-time employees shall be ~~forty (40) hours within~~ seven (7) consecutive twenty-four (24) hour periods ~~– 168 regularly recurring hours~~. Work ordered and performed in excess of forty (40) hours ~~of paid time~~ in each employee's defined a workweek (established pursuant to the Fair Labor Standards Act (FLSA)) shall be overtime. Effective March 6, 2015, vacation, sick leave and paid annual leave (PAL) do not count as hours worked for purposes of calculating overtime. Notwithstanding the previous sentence, whenever an employee is force hired to work overtime those hours will be paid at one and one half the employee's regular rate of pay as defined by the FLSA regardless of whether the employee's work hours exceed the FLSA overtime threshold.

~~3. 2.~~ Except as otherwise provided below, the ~~official~~ work schedule for full-time employees in specified departments, divisions, or sections may be established on a pay period basis. Each pay period will, be fourteen days and starting on a Friday and ending on the second Thursday thereafter. Such employees who occupy full-time positions shall be scheduled to work eighty (80) hours in each work pay period. ~~Work ordered and performed in excess of eighty (80) hours of paid time in the work schedule shall be overtime.~~

~~4.3.~~ Employees may be assigned to one (1) of the following standard work schedules:

- a. 9/80—that consists of eight (8), 9-hour (nine hour) workdays and one (1) 8-hour (eight hour) hour workday in a payn eighty (80) hour work period. The work schedule shall include two consecutive calendar days off in the workweek during which the employee works the eight hour alternating regular day off and three consecutive calendar days off in the workweek during which the employee's alternating regular day off is an off day. The work period must contain two (2) consecutive calendar days off work. For this work schedule, each employee's FLSA work week shall end exactly four hours after the start time of the employee's eight hour shift which will always occur on the employee's alternating regular day off.
- b. ~~5/408/80~~—that consists of ~~five~~ ten (510) 8-hour (eight-hour) workdays in a workweekn eighty (80) hour work period. The Each workweek period must shall contain two (2) consecutive calendar days off work.

c. ~~4/10 that consists of four (4) 10-hour (ten-hour) workdays in a workweek. Each workweek shall contain three consecutive calendar days off work. To be approved to work a 4/10 work schedule requires approval of a member of Executive Management (i.e., Assistant Chief, Deputy Chief, Fire Chief or Director). The decision whether to grant or deny a 4/10 work schedule is not subject to the filing of a grievance or challenge of any kind and is within the sole discretion of those individuals who have authority to approve such a schedule.~~

~~e.d. The official workweek for Fire Communications Dispatchers and Fire Communications Supervisors working a twenty-four (24) hour workday, is calculated on forty (40) hours per week. A regular workday for a full-time employee shall consist of twenty-four (24) hours, of which seventeen (17) hours shall be paid time, of which one (1) hour shall be meal-time. If Sleep-time and meal-time is interrupted it shall not be paid unless interrupted, which shall be done in accordance with OCFA policy. The parties agree to a reopener to discuss the 24 hour work shift for Fire Communications staff which may be requested by either party after July 1, 2016.~~

~~d.e. The official workweek for Fire Communications Dispatchers working a thirteen (13) hour workday, is calculated on forty (40) hours per week. A regular workday for a full-time employee shall consist of thirteen (13) hours, of which twelve (12) hours shall be paid time and one (1) hour shall be meal-time. If Mmeal-time is interrupted it shall not be paid, unless interrupted, which shall be done in accordance with OCFA policy.~~

e.f. Part-time Fire Communications Dispatchers shall work less than a full-time work schedule.

~~f.g. The official workweek for Emergency Transportation Technicians working a twenty-four (24) hour workday is calculated on forty (40) hours per week.~~

4. The Authority reserves the right to implement other alternate work schedules in emergencies or to authorize alternate work schedules, if the needs of the operation would be better served. The Authority shall discuss with the OCEA any proposed changes in work hours or existing work schedules before such changes are put into effect. Whenever practicable, the Authority shall provide written notification of such proposed changes to the OCEA at least fourteen (14) calendar days before such changes are put into effect.

~~B. Except as otherwise provided, no employee shall be employed in one (1) or more positions full-time or part-time more than the total number of hours for the employee's work period as defined in Section 1.A. of this Article, except on overtime authorized by the department.~~

~~BC. This Section shall not prevent_a~~An employee or group of employees is not precluded from requesting a modified work schedule. The Authority retains discretion about whether to grant such a request. Such requests may be implemented by the Authority.

~~D. In addition to any other position or positions that are held, an employee may also voluntarily work in a capacity authorized for the Registrar of Voters in the course of an election, provided that such election work does not unduly interfere with the employee's regular assignment. Election work shall be compensated at the rate authorized for such work.~~

~~E. When an additional work schedule is created, the Authority shall first seek volunteers to fill it. If there are more volunteers than necessary, the additional work schedule shall be filled by seniority. Volunteers may be refused if their most recent evaluation is less than standard. If there are not enough volunteers, the remaining positions shall be filled in reverse order of seniority. The parties agree that when a compelling need exists e.g. specialized knowledge, specialized skill, emergency conditions, or undesirable reporting relationships, the Authority may designate employees to be assigned to the additional work schedule.~~

F. An employee assigned to an out-of-County assignment on an order and request number shall be paid for all hours on such assignment.

Section 2. Rest Periods, Cleanup Time, and Meal Periods

A. Employees shall be allowed rest periods of at least fifteen (15) minutes during each four (4) consecutive hours of work. Such rest periods shall be scheduled in accordance with the requirements of the Authority, but in no case shall rest periods be scheduled within one (1) hour of the beginning or the ending of a workday or meal-time period. The Authority may designate the location(s) at which rest periods may be taken. Rest periods shall be considered hours worked and employees may be required to perform duties, if necessary.

B. Each employee shall, when necessary, be permitted up to fifteen (15) minutes of paid Authority time at the end of each workday to perform such activities as cleaning up a work area, putting away tools, personal hygiene, and changing clothes.

C. During emergencies that require unusual amounts of overtime, employees who are required to work such excessive overtime shall be provided appropriate meals. Such meals shall either be provided by Authority contract, such as that provided on a fireline, or the employee shall be authorized a meal ticket. The determination as to how such meals are provided and the amount authorized shall be at the discretion of the Authority.

Section 3. Overtime

A. Notification of Employees — If, in the judgment of the Authority, overtime work beyond the normal workday, workweek, or work period is required, the Authority shall notify any employee who may be asked or required to perform

such overtime of the apparent need for such overtime whenever practicable prior to when the overtime is expected to begin.

B. Distribution of Overtime

1. The Authority shall make a reasonable effort to make overtime opportunities available on an equal basis to employees capable of performing the work.
2. If the Authority determines that overtime is necessary beyond an assigned workday, the assigned employee(s) may continue with that work as an extension of the assigned workday.
3. If the Authority determines the need for overtime as a result of a temporary operational emergency, the distribution of overtime shall be imposed on all accessible employees on regularly scheduled days off before being imposed on employees with scheduled compensatory or vacation time off.
4. Part-time Fire Communications Dispatchers shall be eligible for rotation of overtime hours in the same manner as full-time Fire Communications Dispatchers. Part-time Fire Communications Dispatchers can also be "forced" for overtime in the same manner as full-time Fire Communications Dispatchers.
5. The Authority and OCEA may meet and confer and, in so doing, shall attempt to reach agreement regarding specific provisions for the distribution of overtime among employees of various individual work units. Such provisions shall be consistent with Section 3.B. of this Article.

C. Payment for Overtime

1. Overtime shall be compensated at one and ~~one half~~^{five-tenths} (1.5) times the employee's ~~regular base hourly~~ rate ~~of pay~~. ~~Effective March 6, 2015,~~ Hours worked for the purposes of computing overtime shall ~~exclude~~^{include} vacation, sick leave, ~~and paid annual leave (PAL) holidays pay, and compensatory time off pay~~. For employees regularly working a twenty-four (24) hour workday schedule or thirteen (13) hour workday schedule, holiday pay is not counted as hours worked for the purposes of computing overtime as specified in Article VI, Section 2.

2. ~~With the exception of Fire Communications Dispatchers and Fire Communications Supervisors regularly assigned to a twenty-four (24) hour workday,~~ ~~e~~Overtime for all regular, limited-term, and probationary employees may be compensated in the form of compensatory time or pay at the option of the Authority. Consideration shall be given to effectuating the wishes of employees. Employees with existing compensatory time balances of one hundred twenty (120) hours shall be paid for all ~~overtime work performed until their compensatory time off banks go below the 120 hour maximum in excess of that amount.~~

For Fire Communications Dispatchers and Fire Communications Supervisors regularly assigned to a twenty-four (24) hour workday, effective on the first day of the pay period following Board approval of this MOU, they are permitted to accrue up to forty (40) hours of compensatory time off in lieu of the straight time portion of any overtime hours. When these employees work overtime hours, they may choose to bank the straight time portion of the hours as compensatory time off (up to the 40 hour maximum) with the other half time portion being paid to the employee as wages.

~~3. Employees in the classifications of Fire Communications Dispatcher and Fire Communications Supervisor regularly assigned to a twenty-four (24) hour workday are not eligible to accrue compensatory time for overtime worked. All such overtime worked shall be paid.~~

~~4. Extra help employees shall be eligible for paid overtime in accordance with the Fair Labor Standards Act.~~

5. No scheduled compensatory time off shall be canceled, except in cases of emergency.

6. In no case may an employee's work schedule be changed during the workweek when the only purpose of such change is to avoid overtime compensation.

7. Time worked as overtime shall not be used to earn fringe benefits or to serve out probation or merit increase eligibility periods. Compensatory time off may be used as part of the established workweek to earn fringe benefits and to serve out probationary and merit increase eligibility periods.

8. An employee separating from the Authority service shall be paid for accumulated compensatory time in a lump sum payment.

Section 4. On-Call Pay and Call-Back Pay

A. On-Call Pay

1. When an employee is assigned on-call duty by the department, the employee shall be informed in writing, in advance whenever practicable, of the dates and inclusive hours of such assignment; the employee shall be compensated at one-fourth (1/4) of his/her base hourly rate for such assignment.

2. On-call duty requires the employee so assigned to (1) be reachable by telephone or other communications device, (2) be able to report to work in a reasonable time, and (3) refrain from activities that might impair his/her ability to perform assigned duties.

3. Extra help employees shall not be eligible for on-call duty unless expressly directed in writing.

B. Call-Back Pay

1. When an employee returns to work because of an Authority request made after the employee has completed his/her normal workday and left the worksite, the employee shall be paid for four (4) hours if he/she works any amount of time up to four (4) hours ~~credited with four (4) hours work~~ plus any hours of work in excess of four (4) hours in which the employee continuously engages in work for which he/she was called back.
2. An employee shall be credited with not more than one (1) minimum four (4) hour guarantee for work performed during any consecutive four (4) hour period.
3. Call-back hours in excess of four (4) hours that do not overlap the employee's regular workday shall be treated as overtime hours and compensated at one and one halffive-tenths (1.5) times the employee's base hourly rate.
 - a. Should an employee be called back to work that is less than four (4) hours prior to the start of his/her regular workday, the employee shall only be paid for the hours from the point of call-back to the start of his/her regular workday.
4. An employee credited with four (4) hours of call-back pay pursuant to this Section may be assigned other work until the guaranteed time has elapsed.
5. Call-back shall be paid at one and one halffive-tenths (1.5) times the employee's base hourly rate.
6. There shall not be any duplication or pyramiding of rates (i.e., an employee cannot be paid both callback, on-call overtime and regular shift hours for the same hours) paid under this Section.
7. Call-back pay shall apply only when an employee is required to physically leave home or another off-duty location to return to work in order to perform required duties.

ARTICLE II

PAY PRACTICES

Section 1. Compensation for Employees

- A. Employees shall receive compensation at the ~~biweekly or~~ hourly rate for the range and step assigned to the class in which they are employed.

Section 2. Pay for New Employees

- A. The Human Resources Director may authorize the appointment of employees at any of the first seven (7) steps of the salary range. Such appointment may be made only when, at the discretion of the Human Resources Director, there is a direct and measurable benefit to the Authority for such appointment.
- B. The Fire Chief may authorize the appointment of employees at a step higher than Step 7 of the range. Such appointment may be made only when, at the discretion of the Fire Chief, there is a direct and measurable benefit to the Authority for such appointment.

Section 3. Merit Increase within Range

- A. Salary increases within a range shall not be automatic. They shall be based upon merit and granted only upon the affirmative recommendation of the employee's supervisor with the approval of the next level supervisor.
- B. A new or reemployed employee in a full-time (regular or limited-term) position shall have an initial merit increase eligibility date that shall be the first day of the pay period following the completion of the first twenty-six (26) weeks of service within that class. The initial merit increase eligibility date shall be extended for the same number of calendar days as an Official Leave of Absence, Military Leave of Absence exceeding fifteen (15) calendar days, light duty assignment, or period of suspension. The extended merit increase eligibility date shall be effective the first day of the pay period after said date. Subsequent merit increase eligibility dates shall be the first day of the pay period following the completion of fifty-two (52) week intervals subject to the same postponements for Official Leaves of Absence, Military Leaves of Absence exceeding fifteen (15) calendar days, light duty assignments, or periods of suspension.
- C. A new or reemployed employee in a part-time (regular or limited-term) position shall have an initial merit increase eligibility date that shall be the first day of the pay period following the completion of one thousand forty (1,040) paid hours, exclusive of overtime. Subsequent merit increase eligibility dates shall be the first day of the pay period following the completion of two thousand eighty (2,080) paid hours, exclusive of overtime.

- D. The following shall apply when an employee is transitioning from part-time to full-time or full-time to part-time status:
1. When an employee transitions from a part-time position to a full-time position and has received an initial merit increase, such employee's next merit increase eligibility date shall be the first day of the pay period following the completion of two thousand eighty (2,080) paid hours, exclusive of overtime. Paid hours include both part-time and full-time service. Subsequent merit increases shall be governed by Section 3.B. of this Article.
 2. When an employee transitions from a full-time position to a part-time position and has received an initial merit increase, such employee's next merit increase eligibility date shall be the first day of the pay period following the completion of two thousand eighty (2,080) paid hours, exclusive of overtime. Paid hours include both part-time and full-time service. Subsequent merit increases shall be governed by Section 3.C. of this Article.
 3. When an employee transitions from a part-time position to a full-time position and has not received an initial merit increase, such employee's merit increase eligibility date shall be the first day of the pay period following the completion of one thousand forty (1,040) paid hours, exclusive of overtime. Paid hours include both part-time and full-time service. Subsequent merit increases shall be governed by Section 3.B. of this Article.
 4. When an employee transitions from a full-time position to a part-time position and has not received an initial merit increase, such employee's merit increase eligibility date shall be the first day of the pay period following the completion of one thousand forty (1,040) paid hours, exclusive of overtime. Paid hours include both part-time and full-time service. Subsequent merit increases shall be governed by Section 3.C. of this Article.
- E. Merit increases may be granted for one (1), two (2), three (3), or four (4) steps within the salary range based upon the employee's performance. Standard performance shall earn a two (2) step increase.
- F. An employee in the Fire Prevention Trainee classification shall not be eligible for a merit increase.
- G. If, in the Authority's judgment, the employee's performance does not merit a salary increase on the merit increase eligibility date, and a deferral of decision accompanied by an intensive effort at improved performance might be productive, the Authority shall complete the structured merit rating and defer a decision regarding the merit increase any number of pay periods, but not to exceed thirteen (13) pay periods. A deferral of less than thirteen (13) pay periods may be further extended not to exceed thirteen (13) pay periods from the original merit increase eligibility date. The employee may be reevaluated

at any time, but in any event shall be reevaluated on the structured merit rating prior to the end of the thirteenth pay period. The employee's merit increase eligibility date shall not be changed by such deferral.

- H. Should an employee's merit increase eligibility date be overlooked through an error and—upon discovery of the error—the employee is granted a merit increase, the employee shall be compensated for the additional salary the employee would have received dating from the employee's merit increase eligibility date.
- I. Extra help employees shall not be eligible for merit increases.

Section 4. Salary on Promotion

A. Except as modified by Section 4.B. of this Article, a regular, limited-term, or probationary employee promoted to a position in a class with a higher salary range shall receive the recruiting salary for the higher class or such higher amount as would be the closest to a five and one-half five-tenths (5.5%) percent increase on the range over the salary received prior to the promotion—not to exceed the top step of the range.

1. A new merit increase eligibility date for an employee in a full-time (regular or limited-term) position shall be established that shall be the first day of the pay period following completion of the first twenty-six (26) weeks of service in the new class. Subsequent merit increases shall be governed by Section 3.B. of this Article.
2. A new merit increase eligibility date for an employee in a part-time (regular or limited-term) position shall be effective on the first day of the pay period following the completion of one thousand forty (1040) paid hours in the new class, exclusive of overtime. Subsequent merit increases shall be governed by Section 3.C. of this Article.

B. Any employee who is promoted to a class from which he/she was previously reduced without a salary decrease shall be placed at a salary step no higher than the step that the employee would have achieved if the employee had remained in the class to which he/she is promoted and had demonstrated at least standard performance. The employee's merit increase eligibility date shall be reestablished in order to credit the employee with any time formerly served in the higher class.

Section 5. Salary on Reassignment

A. When a regular, limited-term, or probationary employee is reassigned to a class with the same recruiting step, such employee's salary and merit increase eligibility date shall not change. Such employee shall have the same probation status that would have been achieved if the employee had been in the new class throughout the period of such service in the old class.

- B. When a regular, limited-term, or probationary employee is reassigned to a class with a higher recruiting step, such employee's salary shall be advanced the number of steps difference between recruiting steps and the employee shall retain his/her former merit increase eligibility date, except as provided in Section 5.E. of this Article. Such employee shall have the same probation status that would have been achieved if the employee had been in the new class throughout the period of such service in the old class.
- C. When a regular or limited-term regular employee is reassigned to a class with a lower recruiting step, such employee's salary and merit increase eligibility date shall not change. Such employee shall have the same probation status that would have been achieved if the employee had been in the new class throughout the period of such service in the old class.
- D. When a probationary or probationary limited-term employee is reassigned to a class with a lower recruiting step, such employee shall have the same salary, step status, probation status, and merit increase eligibility date as would have been achieved if the employee had been in the new class throughout the period of such service in the old class.
- E. When a regular, limited-term, or probationary employee is involved in a series of reassignments among classes with the same salary range but different recruiting steps, or a series of reassignments among classes on different salary ranges, his/her salary and merit increase eligibility date shall be determined by the Human Resources Director.

Section 6. Salary on Reduction

- A.
 1. When a probationary employee is reduced to a class not previously occupied by the employee, the employee shall receive the recruiting step for the lower class and shall receive a new merit increase eligibility date as provided in Section 3. of this Article, or the employee's salary and merit increase eligibility date may be determined by the Human Resources Director.
 2. When a promotional probationary employee, an employee who has been on a temporary promotion, or a regular employee who was promoted to a limited-term position at the direction of the Fire Chief is reduced to a class the employee occupied in good standing, the employee shall have the step status and merit increase eligibility date he/she would have achieved if the employee had remained in the lower class throughout the period of his/her service in the higher class.
- B. When a regular or limited-term regular employee is reduced to a position in a lower class by demotion for reasons of unsatisfactory performance, the employee's salary shall be reduced to a step on the salary range that would be the closest amount to a two (2) step reduction, or the employee shall receive the maximum step of the salary range of the new class, whichever is lower.

1. The merit increase eligibility date for an employee in a full-time (regular or limited-term) position shall be the first day of the pay period following completion of fifty-two (52) weeks of service in the new class. If the employee is thereby placed at the recruiting step of the new salary range, the employee's merit increase eligibility date shall be the first day of the pay period following the completion of twenty-six (26) weeks of service in the new class.
2. A new merit increase eligibility date for an employee in a part-time (regular or limited-term) position shall be effective on the first day of the pay period following the completion of two thousand eighty (2080) paid hours in the new class, exclusive of overtime, unless the employee thereby is placed at the recruiting step of the new salary range, in which case, the employee's new merit increase eligibility date shall be the first day of the pay period following the completion of one thousand forty (1040) hours in the new class, exclusive of overtime.

C. When a regular or limited-term regular employee who received a standard or above performance evaluation in good standing is reduced to a position in a lower class due to a reasonable accommodation of a ~~for physical~~ disability or reasons other than unsatisfactory performance, the employee shall receive the highest salary in the new range that does not exceed the employee's rate of pay immediately prior to reduction and shall retain his/her merit increase eligibility date.

- D. When a regular, limited-term, or probationary employee is reduced as the result of a position reclassification, the applicable salary shall be determined as follows:
1. If the salary of the employee is the same or less than the maximum of the new class, the salary and merit increase eligibility date of the employee shall not change.
 2. If the salary of the employee is greater than the maximum of the new class, the salary of the employee shall be designated as a Y-Rate and shall not change during continuous regular service until the maximum of the new range exceeds the salary of the employee.
 3. When an employee on Y-Rate accepts a voluntary reduction, his/her salary shall be reduced by the amount of the difference between the maximum salary of the class from which the employee is being reduced and the maximum salary of the new class.

Section 7. Salary on Reclassification

- A. The salary of a regular, limited-term, or probationary employee whose position is reclassified shall be determined as follows:
1. If the position is reclassified to a class with the same salary range, the employee's salary, merit increase eligibility date, and probationary status shall remain the same as in the former class.

2. If the position is reclassified to a class with a higher salary range, the salary of the employee shall be governed by Section 4.A. of this Article.
3. If the position is reclassified to a class with a lower salary range, the salary of the employee shall be governed by Section 6.D.2. of this Article.

Section 8. Salary on Reemployment

- A. A person who is reemployed in the same occupational series in which the person held regular status and was separated in good standing may, upon approval of the Human Resources Director, be appointed at a step higher than the recruiting step—but no higher than the step the person received at the time of separation—unless appointment is at an advanced step or rate pursuant to Section 2.B. of this Article.
- B. A former employee on paid County or Authority retirement may be reemployed for the maximum allowable time pursuant to Government Code provisions in any one (1) fiscal year in a position requiring special skills and knowledge and may be appointed to the position at any step on the salary range.

Section 9. Changes in Salary Allocation

- A. If a class is reassigned to a different salary range, each employee in the class shall be compensated at the same step in the new salary range as the employee was receiving in the salary range to which the class was previously assigned. However, if a class is reassigned to a lower salary range, the salary of each employee should be determined in accordance with Section 6.D. of this Article.
- B. Changes in salary resulting from a classification study shall be subject to the provisions of Article XXII.

Section 10. Additional Compensation

- A. Notwithstanding anything in this MOU Memorandum of Understanding to the contrary, when in the judgment of the Authority Board it becomes necessary or desirable to utilize the services of Authority employees in capacities other than those for which they are regularly employed, the Authority Board may authorize and, if appropriate, fix an additional rate of compensation for such employees.

ARTICLE III

EMPLOYEE PROVISIONS

Section 1. Employee Rights

- A. The Authority shall not ~~take any adverse action against~~ ~~hinder or discipline~~ an employee for exercising any rights or benefits provided in this ~~MOU~~ Memorandum of Understanding.

Section 2. Time Off for Selection Procedures

- A. With the approval of the Fire Chief, a regular, limited-term, or probationary employee shall be entitled to necessary time off with pay to participate in tests of fitness, examinations, and interviews required by the Human Resources Director during working hours for the purpose of determining eligibility for movement to another class in the Authority service.

Section 3. Probation

- A. New Probation

1. Full-Time Employee

- a. A new or reemployed employee—who has been out of Authority service for more than two (2) years—employed in a regular or limited-term position shall be placed on a new probation for fifty-two (52) weeks from the date of appointment ending with the first day of the pay period following completion of said period.

2. Part-Time Employee

- a. A new or reemployed employee—who has been out of Authority service for more than two (2) years—employed in a part-time (regular or limited-term) position shall be placed on new probation for two thousand eighty (2,080) paid hours, exclusive of overtime, ending with the first day of the pay period following completion of said period.

3. Fire Prevention Trainee

- a. An employee in the Fire Prevention Trainee classification shall be considered to be in a training capacity for no more than one (1) year. During this period of time, the employee shall not be eligible for a merit increase and shall not receive permanent status in the position. Upon successful completion of training in this classification, the employee shall be promoted to a Fire Prevention Specialist. At that time, the employee shall serve a new promotional probation period. A Fire Prevention Trainee may be released at the sole discretion of the Authority at any time without right of appeal or hearing.

B. Promotional Probation

1. Any regular or limited-term employee who is promoted, excluding a temporary promotion, shall be placed on promotional probation, except as provided in Section 3.B.2. of this Article.
 - a. A full-time employee shall be placed on promotional probation for fifty-two (52) weeks from the date of promotion, ending with the first day of the pay period following completion of said period.
 - b. A part-time employee shall be placed on promotional probation for two thousand eighty (2,080) hours, exclusive of overtime, ending with the first day of the pay period following completion of said period.
2. When a regular or regular limited-term employee is promoted as a result of the employee's position being reclassified to a higher class and the class from which the employee is promoted is subsequently deleted or abolished, the incumbent employee shall not serve a promotional probation period.
3. When an employee who has been on a temporary promotion or a regular employee who was promoted to a limited-term position at the direction of the Fire Chief is reduced to a class the employee formerly occupied, the employee shall serve the remainder of any uncompleted probationary period in that class.

C. Failure of Probation

1. New Probation

- a. An employee on new probation may be released from service at any time without right of appeal or hearing, except where an employee alleges his/her release was the result of discrimination by the Authority because of a protected status as defined by the existing Fair Employment and Housing Act or other applicable law. In the case of such allegations, the employee may submit an appeal at Step 2 of the disciplinary and predisciplinary procedure within fourteen (14) calendar days after receipt by the employee of notice of failure of new probation. The only issue which will be considered on the appeal is whether rejection was motivated by discrimination. The appeal process cannot result in the employee being passed off probation as that decision can only be affirmatively made by the Authority.

2. Promotional Probation

- a. An employee on promotional probation may be failed at the sole discretion of the Authority at any time without right of appeal or hearing, except where an employee alleges his/her failure of promotional probation was the result of discrimination as described in Section 3.C.1.a. of this Article. In the case of such allegations, the employee may submit an appeal at Step 2 of the disciplinary and predisciplinary procedure within fourteen (14) calendar days after

receipt by the employee of notice of failure of promotional probation. Such employee shall receive a performance evaluation identifying the reason for failure of promotional probation.

- b. Except for employees promoted from Fire Prevention Trainee, when an employee fails his/her promotional probation, or requests a reversion to his/her previous classification, the employee shall have the right to return to his/her former class, provided the employee had passed probation in the previous class and was not in such class for the purpose of training for a promotion to a higher class. A regular employee who accepts promotion to a limited-term position other than at the direction of the Fire Chief shall not have the right to return to his/her former class.
- c. If the employee's former class has been deleted or abolished, the employee shall have the right to return to a vacant class in his/her former occupational series closest to, but no higher than, the salary range of the class that the employee occupied immediately prior to promotion. The employee shall serve a probationary period if not served previously in that classification.

D. General Provisions

- 1. When an employee's record consists of a combination of full-time and part-time service in regular or regular limited-term positions, except as provided in Article IV, Section 2.C., part-time service shall be applied proportionately by using total hours worked to appropriate full-time requirements.
- 2. When the Fire Chief or his/her representative passes an employee on probation, that determination shall be based upon a written performance evaluation and shall be discussed with the employee. ~~A probation period may not be extended, except as provided in Section 3.E. of this Article.~~ An employee who is permitted by the Authority to work beyond the end of a probation period shall be deemed to have passed such probation period.

E. Extension of Probation Periods

- 1. Any time away from work (except for use of paid leave for employees on promotional probation), the granting of an Official or a Military Leave of Absence, the imposition of a suspension, or the granting of a light duty assignment to an employee shall cause the employee's probation period to be extended by the length of the Official Leave, suspension, or light duty assignment, or by the length of the Military Leave in excess of fifteen (15) cumulative calendar days (including time on light duty) will result in an extension of probation for the length of the employee's leave of absence. The extended probation period resulting from the Official or Military Leave of Absence, suspension, or light duty assignment shall end at 11:59 p.m. on ~~with~~ the first day of the pay period after said extended date.

2. The Human Resources Director shall extend the new or promotional probationary periods of incumbents appointed as a result of a selection procedure that is appealed. Such probationary periods shall be extended no longer than sixty (60) calendar days from the date on which the Authority receives the Appeals Officer's findings and decision. In the event an employee's probationary period is extended by the provisions of this Section, and such an employee has served a probationary period that is longer than the probationary period normally prescribed for new or promotional probation, such an employee may fail probation during the extended period only upon recommendation of the Appeals Officer and final determination of the Board of Directors.
3. Upon the recommendation of the Assistant Chief/Department Head or his/her designee or at the request of the employee with the concurrence of the Assistant Chief/Department Head or his/her designee, the probation period of an employee may be extended at the discretion of the Human Resources Director for a period not to exceed ninety (90) calendar days, provided such action is approved by the Human Resources Director before the normal probation period is completed. In such cases, the Authority shall advise the employee and OCEA in writing regarding the extension of probation as soon as practicable. Denial of a request to extend a probation period shall not be subject to appeal or hearing.

Section 4. Performance Evaluation

- A. The Authority shall maintain a system of employee performance ratings designed to give a fair evaluation of the quantity and quality of work performed by an employee. Such ratings shall be prepared and recorded in the employee's personnel file for all regular and limited-term (full-time and part-time) employees at least once each year, and, in addition, for employees on probationary status, at least once near the middle of the probation period.
- B. The Authority shall discuss with the employee the specific ratings—prior to such ratings being made part of the employee's personnel file.
- C. When a performance evaluation is recorded in the personnel file of an employee, a copy of such evaluation, together with any attachment relating thereto, shall be given to the employee. Any written response by the employee to the performance evaluation shall be attached to such evaluation in the official personnel file.

Section 5. Transfer Policy for OCEA Officers and Grievance Representatives

- A. Management shall not, wherever practicable, assign an OCEA officer or grievance representative to a different location if:
 1. The employee's performance is standard or better; and
 2. The OCEA objects to such assignment (OCEA shall not object to such assignment change, except for good cause); and

3. There is another employee in the same classification in the Authority who meets the specific qualifications for the assignment.

Section 6. Work Hours Exchange Policy

- A. For Fire Communications Dispatchers, Fire Communications Supervisors, Senior Fire Communications Supervisors, and Emergency Transportation Technicians, time exchanges may be voluntarily undertaken between two (2) employees upon written approval of the employees' immediate supervisors or Battalion Chief(s) in accordance with Authority policy, prior to such exchange of time. A time exchange shall not require the Authority to owe any additional overtime for the employees exchanging shifts as the employee whose shift is worked is credited with the hours worked even though the other employee worked the shift. However, for dispatchers working the 24 hour shift who time exchange, if the employee who works the shift has his/her sleep/meal time disturbed such that overtime is owed as a result of the disruption, the employee who worked the shift (i.e., the one who was disrupted) shall receive the overtime.
- B. Responsibility for arrangement for the repayment of such time rests with the employees involved. The Authority shall have no responsibility to pay for shift exchanges not repaid.
- C. No obligation shall be placed upon the Authority for repayment of time voluntarily traded or repaid between employees.
- ~~D. Should, as a direct result of such trades, either employee work more than forty (40) hours in a workweek, the hours in excess of forty (40) hours shall not be considered overtime. Except, all overtime work ordered and performed that would have been performed regardless of such trade shall be treated in accordance with Article I, Section 1.A.1. Trades under this provision shall require written approval in accordance with Section 6.A. of this Article.~~

Section 7. Training

- A. Upon approval of the Fire Chief, employees may participate in various Authority-sponsored training programs. The Authority and OCEA shall inform employees of these training programs.
- B. During the term of this MOUMemorandum of Understanding, OCEA may request specific training or development opportunities for various employees in OCEA represented Units. The Authority agrees to discuss such requests with OCEA and consider implementation.
- C. Upon approval of their supervisor, employees shall be allowed to attend job-related professional development training at their own expense and on Authority time.

Section 8. Contents of Personnel File

- A. Adverse statements prepared by the Authority shall not be included in an employee's official personnel file, unless a copy is provided to the employee.
- B. An employee shall have the right to inspect and review the contents of his/her official personnel file at reasonable intervals.
- C. In addition, an employee shall have the right to inspect and review the contents of his/her official personnel file in any case where the employee has a grievance related to performance, to a performance evaluation, or is contesting his/her suspension or discharge from Authority service.
- D. Letters of reference and reports concerning criminal investigations concerning the employee shall be excluded from the provisions of Sections 8.B. and 8.C. of this Article.
- E. An employee shall have the right to respond in writing or personal interview to any information contained in his/her official personnel file, such reply to become a permanent part of such employee's official personnel file.
- F. Any contents of an employee's official personnel file may be destroyed pursuant to an agreement between the Human Resources Director and the employee concerned or by an order of an arbitrator, court, or impartial hearing officer, unless the particular item is otherwise required by law to be kept.

ARTICLE IV

EMPLOYMENT PROVISIONS

Section 1. Temporary Promotion

- A. A regular, probationary, or limited-term employee who is assigned on a temporary basis to a higher level vacant (regular or limited-term) position shall be promoted on a temporary basis to that class when such employee has been assigned to the higher class for one hundred twenty (120) consecutive regularly scheduled hours of work and the employee has been performing all of the significant duties and responsibilities of the higher class, unless the employee requests to be reassigned to his/her former class. At any time before the temporary promotion is made, such employee may request to be reassigned to his/her former class. In such a case, the employee shall be reassigned within five (5) working days.
- B. The Authority may, at its option, waive the one hundred twenty (120) hour requirement when it is necessary to utilize a regular, probationary, or limited-term employee in a higher level vacant (regular or limited-term) position for a period that is expected to be at least one hundred twenty (120) regularly scheduled hours, but not to exceed one (1) year.
- C. An employee on temporary promotion shall not be placed on promotional probation. Upon return from temporary promotion, an employee shall serve the remainder of any uncompleted probationary period in the employee's former class and shall have the step status and merit increase eligibility date he/she would have achieved if the employee had remained in the lower class throughout the period of his/her service in the higher class.
- D. At the end of the employee's assignment to the higher class, the employee shall have the right to return to his/her former class. A temporary promotion shall not exceed a period of one (1) year.

Section 2. Status of Limited-Term Employees

- A. All limited-term employees shall be subject to the same hiring standards and shall earn all benefits, except those contained in Article X, LAYOFF PROCEDURE, that accrue to employees in regular positions.
- B. A regular employee who transfers, promotes, or reduces to a limited-term position on a voluntary basis and not at the direction of the Fire Chief shall become a limited-term regular employee.
- C. Limited-term employees hired under programs that involve special employment standards shall serve a new probation period upon transfer to permanent funded positions. Upon transfer to permanent positions, such employees shall maintain their original hire date for purposes of vacation and sick leave accrual, retirement, and layoff. The requirement that such employees serve a new

probation period may be waived with the approval of the Human Resources Director. Limited-term employees not hired under programs that involve special employment standards shall, upon transfer to permanent funded positions, maintain their original hire date for purposes of vacation and sick leave accrual, retirement, layoff, and new employee probation.

- D. When funding ceases for a limited-term position or when the position is no longer necessary, the limited-term position shall be abolished and the incumbent shall be removed from the payroll, except as provided in Section 2.E. of this Article.
- E. Regular employees who transfer, promote, or reduce to limited-term positions at the direction of the Fire Chief shall retain their former status and retain their layoff benefits in their former layoff unit. The Fire Chief shall make such an order in writing prior to the date of transfer, promotion or reduction.

Section 3. Reemployment of Employees on Disability Retirement

A. The Authority shall counsel and advise employees retired for ~~physical~~ disability about reemployment opportunities with the Authority.

B. Employees retired for ~~physical~~ disability, within two (2) years from date of retirement or date their disability retirement is discontinued, may request and qualify for positions in the Authority and shall be placed on the ~~AUTHORITY PREFERRED ELIGIBLE LIST~~ Authority Preferred Eligibility List with respect to such positions. They shall be placed on such List in chronological order of retirement, but following the last person on layoff status. They shall remain on such List for a period of two (2) years from date of retirement or date their disability retirement is discontinued, except that:

1. A person appointed to a regular position in Authority service shall be removed from the List.
2. A person who, on two (2) separate occasions, rejects or fails to respond within three (3) workdays to offers of employment in a class for which he/she is qualified shall be removed from the List.
3. A person who, on three (3) separate occasions, declines referral for interviews in a class for which he/she is qualified shall be removed from the List.

Section 4. Reemployment of Regular Employee

A. A regular employee who leaves Authority employment and is reemployed within fifteen (15) calendar days shall be deemed to have been on ~~Authority~~ leave for such period of time.

Section 5. Non-Discrimination Clause

- A. The Authority and the Association agree that the provisions of this ~~MOU~~Memorandum of Understanding shall be applied to employees without discrimination based on any protected classification addressed by state and federal law by reasons of physical disability, marital status, medical condition, race, religion, color, sex, age, national origin, or ancestry; for participating in or refusal to participate in protected, concerted Association activities.; ~~or of other protected status as defined by applicable law.~~
- B. OCEA shall not discriminate in membership or representation based on any protected classification. on any basis cited in Section 5. of this Article.

Section 6. Auxiliary Transportation Technicians Program

- A. Auxiliary Emergency Transportation Technicians provide additional staffing to assist in meeting the OCFA's need for a flexible staffing source.
- B. Auxiliary Emergency Transportation Technicians are hourly employees who do not have regular assigned hours and who work no more than half-time. Half-time shall be defined as less than one thousand forty (1,040) hours in any calendar year. There shall be no limit on the number of years or cumulative total hours that an Auxiliary Emergency Transportation Technician may work.
- C. Auxiliary Emergency Transportation Technicians are considered "at-will" employees and as such, they are not entitled to any of the rights and privileges contained in any Memorandum of Understanding. Auxiliary Emergency Transportation Technicians are not entitled to any benefits provided to regular Emergency Transportation Technicians or any other employee. Auxiliary Emergency Transportation Technicians shall be considered the same as regular Emergency Transportation Technicians for purpose of hourly pay rates only.
- D. If determined by the OCFA that this program has not proven to be cost effective or has presented unanticipated operational or other difficulties, the OCFA reserves the right to modify or discontinue the program.
- E. Auxiliary Emergency Transportation Technicians shall receive a performance evaluation every one thousand forty (1,040) hours worked and shall receive at least a two (2) step salary increase every two thousand eighty (2,080) hours, up to the maximum of the salary range, for a rating of standard or better on the performance evaluation.
- F. Auxiliary Emergency Transportation Technicians must submit a minimum of five (5) availabilities" per month to the Battalion Manpower Coordinator. Auxiliary Emergency Transportation Technicians must work a minimum of one (1) twenty-four (24) hour's workday per month in order to maintain adequate skills. When those workdays are not available, the OCFA shall provide hours to meet this requirement or shall not penalize the Auxiliary Emergency Transportation Technicians by holding the employee to this requirement when the hours are not available.

G. The Battalion Manpower Coordinator shall assume responsibility for scheduling all overtime for the Emergency Transportation Technicians. All availabilities for overtime shall be submitted in accordance with Battalion Manpower Coordinator policies.

H. Emergency Transportation Technicians shall also submit vacation and work hour trade requests to the Battalion Manpower Coordinator for scheduling.

I. Overtime Distribution: The Battalion Manpower Coordinator shall maintain one (1) availability list for overtime assignments that shall be used to assign overtime to regular and Auxiliary Emergency Transportation Technicians. The Battalion Manpower Coordinator shall also maintain a force list for forced overtime that shall only include regular Emergency Transportation Technicians. Employees shall rotate upon the availability list upon the assignment of twelve (12) or more hours, and shall rotate upon the force list upon the assignment of four (4) or more hours. Overtime shall be given in the following order:

1. An Auxiliary Emergency Transportation Technician with no previously scheduled shift that month;
2. A straight rotation by availability;
3. A straight forced rotation among regular Emergency Transportation Technicians. If an employee is forced for overtime, he/she may find a qualified employee to work all or a portion of the workday. New employees shall be added to the bottom of either or both lists when their training period is complete.

ARTICLE V

LEAVE PROVISIONS

Section 1. Sick Leave

- A. Accumulation of Sick Leave—shall be in accordance with the following schedule:

Regular, Limited-Term, and Probationary Employees

HOURS OF CONTINUOUS SERVICE EXCLUSIVE OF OVERTIME	HOURLY ACCRUAL RATE
1 through 6,240.00 regularly scheduled hours	0.0347 hours for each regularly scheduled work hour paid
6,240.01 or more regularly scheduled hours	0.0462 hours for each regularly scheduled work hour paid

- B. Sick Leave Earned—shall be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a portion of the pay period during which the employee terminates Authority service. Extra help employees shall not earn sick leave.

- C. Permitted Uses of Sick Leave

1. Sick leave may be applied to:

- a. An absence necessitated by an employee's personal illness, injury, or disability due to pregnancy or childbirth.
- b. Medical and dental office appointments when absence during working hours for this purpose is authorized by the employee's supervisor.
- c. Absence due to exposure to a contagious disease when quarantine is imposed by health authorities or when it is determined by a physician designated by the Authority that the presence of the employee on duty would endanger the health of others.

- d. ~~Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his/her immediate family, provided that for each occurrence such absence shall be limited to a maximum of three (3) working days. Employees assigned to a twenty-four (24) hour workday shall receive up to three (3) consecutive calendar days. Additionally, once each calendar year, An employee may use up to one half five-tenths (0.5) of his/her annual accrued sick leave for the illness/injury of an immediate family member. accrual~~

~~rate in any one (1) instance.~~ For purposes of this Section, immediate family shall mean registered domestic partner, father, father-in-law, mother, mother-in-law, stepparent, brother, sister, wife, husband, child, step-child, grandparent, or legal guardian or ward. In addition, an employee may use an additional three (3) workdays of sick leave for an immediate family member for each occurrence of family member illness/injury.

e. ~~An absence due to an air pollution alert that prevents the employee from traveling to his/her work location.~~

2. Illness while on paid vacation shall be charged to sick leave rather than vacation only under the following conditions:

~~a. The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his/her normal duties.~~

a. The employee must notify his/her supervisor within four (4) calendar days of the beginning of the illness or prior to the end of his/her vacation, whichever is sooner, to request that his/her illness on vacation be charged to sick leave.

b. The Authority shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.

~~xcix.c.~~ Upon the employee's return to work, the employee must furnish the Authority with a certificate signed by a licensed physician, a registered nurse, or recognized health care provider stating the ~~nature of the medical condition and the~~ period of sickness/disablement.

3. Absence from duty because of personal emergencies limited to a maximum of eighteen (18) working hours during the fiscal year.

D. Prohibited Uses of Sick Leave

1. Sick leave shall not be applied to absences caused by illness or injury to a member of the employee's family, except as provided in Sections 1.C.1.d. and 1.C.3. of this Article.

2. Except for employees scheduled to work, sick leave shall not be applied to absences that occur on an Authority-observed holiday.

E. General Provisions

1. In any use of sick leave, an employee's account shall be charged to the nearest quarter hour.

2. An employee may be required to furnish a certificate issued by a licensed physician or registered nurse or other Authority-approved evidence of illness, injury, ~~or medical condition,~~ or medical or dental office calls when the department has notified the employee in advance of such a

requirement or when the employee has been under the care of a physician.

3. All employees are eligible to receive sick leave payoff as follows:
- a. Upon paid retirement or death, an employee or the employee's estate shall be paid for a portion of the employee's unused sick leave in an amount computed as provided below:

<u>Years of Service</u>	<u>Percent of Unused Sick Leave Paid For</u>
Less than 5 years	None
5 but less than 10	25%
10 but less than 15	50%
15 but less than 20	75%
20 or more	100%

Years of service as used herein shall be the equivalent of full-time continuous service in a regular position. Employees who elect to take deferred retirement shall not be eligible for any benefits provided by this paragraph.

- b. Not more than once in each fiscal year, an employee who has accumulated unused sick leave in excess of two hundred eighty (280) hours shall, upon request, receive a payoff for up to one-third (1/3) of all his/her accumulated sick leave, provided that the remaining balance is not reduced below two hundred eighty (280) hours. The percentage of sick leave paid shall be computed based on years of continuous service in accordance with Section 1.E.3.a. of this Article. The employee's sick leave balance shall be reduced by the total number of hours elected and approved for payoff by the employee prior to the application of the eligible percentage described in Section 1.E.3.a. of this Article.
- c. Notwithstanding the provisions of Section 1.E.3.b. of this Article, an employee who has given irrevocable written notice of his/her intent to retire within thirty (30) calendar days may request that a payoff of his/her accumulated sick leave be made to his/her deferred compensation account with the Authority to the maximum amount permitted under the regulations that govern deferred compensation programs and to the extent permitted under the provisions of Section 1.E.3.a. of this Article. Such payoff shall be made prior to the effective date of the employee's retirement.
4. When a person is reemployed in a regular or limited-term position, the Human Resources Director may, upon the request of the Authority, apply the period of previous Authority continuous service for the purpose of determining sick leave earning rates.

Section 2. Bereavement Leave

- A. Upon request, regular, limited-term, or probationary employees shall receive necessary time off with pay, not to exceed three (3) days in any one (1) instance, ~~to for bereavement leave related to the death arrange for or attend a funeral of a member~~ of their immediate family. Employees assigned to a twenty-four (24) hour workday shall receive up to three (3) consecutive calendar days. For purposes of this Section, immediate family shall mean registered domestic partner, father, father-in-law, mother, mother-in-law, stepparent, brother, sister, wife, husband, child, stepchild, grandparent, grandchild, or legal guardian or ward.

Section 3. Authorized Leave Without Pay

A. Authority Leave

1. Upon request, a regular, limited-term, or probationary employee may be granted an Authority Leave Without Pay for a period of time not to exceed fifteen (15) calendar days. The granting of such Leave shall be at the discretion of the Fire Chief, except in cases where Official Leave has been authorized pursuant to Sections 3.B. and 9.A. of this Article. The Fire Chief may require that all accumulated compensatory time be used prior to granting of such Leave. The use of earned vacation prior to the obtaining of Leave shall be at the option of the employee.

B. Official Leave Without Pay

1. Upon request, a regular, limited-term, or probationary employee may be granted an Official Leave of ~~a~~ Absence ~~w~~ Without ~~p~~ Pay. Such Leave, if granted, shall not exceed one (1) year, except as provided in Sections 3.B.2. and 3.B.3. of this Article. ~~Such Leave may be taken only after an employee's completion of an Authority Leave request, provided that granting of a Leave shall not be a prerequisite to a request for Official Leave.~~ The Fire Chief may require that all or a portion of compensatory time (previously earned) and vacation be used prior to granting such Leave.
2. An Official Leave of Absence without pay may be extended for up to an additional year at the discretion of the Fire Chief, except that requests for Official Leave that qualify as Family Leave pursuant to applicable law shall be granted to the extent required by such law. If the Fire Chief denies the extension of such Leave, the provisions of Sections 3.B.5. and 3.B.6. of this Article shall not apply.
3. Upon request, an employee who has requested and identified a valid need for Family Leave pursuant to Section 11. of this Article—and applicable law—shall be granted Official Leave to the extent required by such law. Such Leave shall be authorized only after an employee's completion of an Authority Leave request and after all accumulated compensatory time and vacation accruals have been applied toward

payment of the absence. In addition, where appropriate under the provisions of Section 1.C. of this Article, the employee may be required to apply all sick leave accruals toward payment of the absence before an Official Leave without pay shall be authorized.

4. An employee shall give notice two (2) weeks prior to the date he/she wants to return to work, except that an employee returning from Family Leave shall give the lesser of two (2) weeks notice or the maximum notice allowable under applicable law. If an employee does not give the required notice prior to the date he/she wants to return to work, the Authority shall not be required to return the employee to work until the employee gives such notice; however, the Authority may waive the notice or reduce the notice period at its discretion.

5. The Department Head/Assistant Chief shall indicate on the request for Leave of Absence his/her recommendations as to whether the request should be granted, modified, or denied and shall promptly transmit the request to the Human Resources Director. The Human Resources Director shall render a decision within thirty (30) calendar days of when the request is submitted to him/her. If the Human Resources Director approves the request, he/she shall deliver a copy to the Financial Services Manager, the Department Head/Assistant Chief, and the employee.

6. If the Human Resources Director modifies or does not approve a request for Official Leave without pay, the employee and/or the Department Head/Assistant Chief may, within fifteen (15) calendar days of said action, file a request with the Human Resources Director for review by the Fire Chief Board. Upon such request, the Human Resources Director shall forward a copy of the request for Official Leave without pay to the Fire Chief Board for final determination. The employee and the Department Head/Assistant Chief shall notify the Human Resources Director whether he/she shall submit his/her position in a written statement or wishes to appear before the Fire Chief Board. ~~The Human Resources Director may present his/her position in the same manner as the employee presents his/her position. The Board, at its discretion, may designate a representative(s) to decide such appeals.~~ The decision of the Fire Chief on such appeals shall be final.

7. An Official Leave without pay shall not be deemed a break in Authority service.

C. General Provisions

1. A request for a Leave of Absence shall be made upon forms prescribed by the Human Resources Director and shall state specifically the reason for the request, the date when it is desired to begin the Leave of a Absence, and the probable date of return.

2. A request for Leave of a Absence wWithout pPay shall normally be initiated by the employee but may be initiated by the employee's Section

Manager only where the employee is unable to initiate such action, except in cases where the provisions of Section 9.A. of this Article apply.

Section 4. Official Leave for Non-Occupational Disability

A. A regular, limited-term, or probationary employee shall be granted, upon request, a ~~n Official L~~leave of ~~a~~Absence ~~w~~Without ~~p~~Pay in accordance with the Fair Employment and Housing Act and Pregnancy Disability Leave provisions of the law for up to six (6) months for a non-occupational disability, including disabilities related to pregnancy and childbirth, provided the employee meets the following conditions:

1. A ~~medical~~ statement covering ~~diagnosis, prognosis,~~ expected date of return, and period of disability shall be submitted with the Leave request.
2. Such Leave shall begin after all accrued sick leave, compensatory time, and vacation time have been applied toward the absence.
3. ~~Unless otherwise required by law, the employee has been paid for six thousand two hundred forty (6,240) regularly scheduled hours or more.~~

B. If additional Leave is desired, the employee shall request additional Leave in accordance with Official Leave, Section 3.B., of this Article.

~~C. An employee shall not be entitled to more than one (1) such Leave per twelve (12) month period.~~

Section 5. Absences Caused by Medical Conditions

A. An employee who is absent from work for a period of more than fourteen (14) consecutive calendar days due to a medical condition shall not be permitted to resume work until and unless the employee obtains a medical clearance from a physician designated by the Authority. The Authority reserves the right, based on the circumstances, to send the employee to its doctor (on paid time) to receive such clearance from a physician.

Section 6. Jury Duty Leave

A. A regular, limited-term, or probationary employee who is called for jury duty or for examination for jury duty shall be compensated at the employee's regular rate of pay for those hours of absence due to the jury duty that occurs during the employee's regularly scheduled working hours, provided the employee deposits the employee's fees for such hours of jury duty, exclusive of mileage, with the Finance ~~ial Services~~ Manager. Fees for jury duty performed during hours other than regularly scheduled working hours may be retained by the employee. Any hours worked beyond the regularly scheduled workday shall be subject to the workweek and overtime provisions in Article I. An employee who calls the court while at work and finds out that he/she must report to jury duty the next day must continue to work the shift but will be relieved from duty (if still working) with sufficient time to arrive at the court for

jury duty in the morning. If the employee is scheduled to be on duty on the day he/she is on jury duty, he/she must either return to his/her shift after the jury service is done for the day if there are still four hours left on their shift or call in to his/her supervisor and ask to use leave to cover the rest of their shift. For employees who are required to serve on jury duty for longer than two weeks (and who are informed of such when empanelled on a jury) their work schedule shall be converted to a 40 hour staff schedule during their time on jury duty. An employee may request a change in regularly scheduled working hours to a Monday through Friday workday for the duration of such jury duty. Such requests shall be granted, if practicable.

Section 7. Witness Leave

- A. A regular, limited-term, or probationary employee who is called to answer a subpoena as a witness for court appearances during the employee's work hours, except where the employee is a litigant or where the subpoena is related to the employee's employment with another employer, shall be compensated at his/her base hourly rate of pay for all hours of absence from work due to answering the subpoena, provided the employee shows proof of such subpoena and deposits witness fees received for such hours, exclusive of mileage, with the Finance ~~ial Services~~ Manager. Fees for answering a subpoena as a witness during hours other than regularly scheduled working hours may be retained by the employee.

Section 8. Absence Without Authorization

- A. Absence without authorization, whether voluntary or involuntary, for three (3) consecutive working days shall be considered an automatic resignation from Authority employment as of the last date on which the employee worked or the last date the employee was to return to work from an authorized absence.
- B. If an employee does not have prior authorization to be absent from work, he/she may request specific authorization from the Fire Chief prior to the expiration of the time limit specified in Section 8.A. of this Article.
- C. When an employee has been absent without authorization and the Authority plans to invoke the provisions of Section 8.A. of this Article at least ten (10) calendar days prior to accepting and entering an automatic resignation, the Authority shall send written notice to the employee's last known address by certified mail with return receipt requested and shall deposit such notice in the United States mail with postage fully prepaid. Notice is complete upon mailing. Such written notice shall contain:
1. A statement of the Authority's intention to accept and enter the employee's automatic resignation and its effective date.
 2. A statement of the reasons for considering the employee to have automatically resigned.
 3. A statement of the employee's right to respond, either orally or in writing, prior to the effective date of such proposed action.

4. A statement of the employee's right to representation.
 5. A copy of the automatic resignation provisions that apply to the employee.
 6. A statement that if the employee fails to respond to the written notice before the effective date of the automatic resignation, the employee has waived any right to appeal the automatic resignation.
- D. An automatic resignation shall not be accepted and entered if the employee: (1) responds to the notice before the effective date; (2) provides an explanation satisfactory to the Authority as to the cause of the unauthorized absence and the reasons for failing to obtain an authorized Leave and submits any pertinent documentation to substantiate such reasons; and (3) is found by the Authority to be ready, able, and willing to resume the full duties of his/her position.
1. An employee who responds prior to the effective date of the proposed action shall be sent written notice of any action taken pursuant to the notice of intent.
- E. An employee who is permitted to continue his/her employment pursuant to Sections 8.C. and/or 8.D. of this Article shall not be paid for the period of his/her unauthorized absence and shall be treated as if on a Leave of Absence for purposes of continuity of employment and other appropriate benefits, unless the Authority determines it is appropriate to use sick leave, compensatory time, vacation, or other paid leave to cover the absence.
- F. Notwithstanding any other provision of this Section, the Authority may rescind an automatic resignation.
- G. Automatic resignations shall not be considered a discharge under the provisions of Article VIII, DISCIPLINARY AND PREDISCIPLINARY ACTIONS.

Section 9. Workers' Compensation Leave

- A. When an injury is determined to be job-related in accordance with Article XI, ON-THE-JOB INJURIES, WORKERS' COMPENSATION, a regular, limited-term, or probationary employee shall be placed on Workers' Compensation Leave. If such determination cannot readily be made and all sick leave has been applied to the absence, the employee shall be placed on Official Leave until a final determination is made.
- B. Workers' Compensation Leave shall continue until the employee does one (1) of the following:
1. Is determined to be physically able to return to work by an Authority-designated physician; or

2. Is determined to be physically able to return to work with medical restrictions that the Authority can accept; or
3. Accepts employment outside the Authority; or
4. Accepts employment in another Authority position; or
5. Has retired pursuant to appropriate Government Code provisions.

An employee who does not return to work within two (2) weeks of the end of his/her Workers' Compensation Leave pursuant to this provision shall be considered to have automatically resigned his/her employment with the Authority under the provisions of Section 8. of this Article.

- C. An employee on Workers' Compensation Leave must give notice two (2) weeks prior to the date he/she wants to return to work. If an employee does not give two (2) weeks notice prior to the date he/she wants to return to work, the Authority shall not be required to return the employee to work until such notice is given; however, the Authority may waive the notice or reduce the notice period at its discretion.
- D. For employees on Workers' Compensation Leave, merit increase eligibility dates, probation periods, and performance evaluation dates shall be treated as if the employee were on Official Leave.

Section 10. Parenthood Leave

- A. A regular, limited-term, or probationary employee shall be granted—upon request—a Parenthood Leave Without Pay of up to six (6) months in connection with the birth or placement for legal adoption of a child, provided the employee meets the following conditions:
 1. The requested Leave is commenced within six (6) months before or after the date of birth or placement for legal adoption of the child
 2. Sufficient documentation of such birth or placement for legal adoption of a child is submitted with the request for Leave
 3. Such employee has completed new probation
 4. All accrued vacation and compensatory time have been applied toward the absence
- B. Unless otherwise required by law, employees shall not be eligible for more than one (1) such Leave within any twelve (12) month period.
- C. Sick leave must be applied toward any portion of the absence that qualifies under Section 1.C.1. of this Article, provided the employee has furnished the Authority with a certificate signed by a licensed physician stating the nature of the medical condition and period of disability.

- D. Pregnant employees may also apply for a Non-Occupational Disability Leave for the term of disability as provided in Section 4. of this Article.
- E. Parenthood Leave shall not be credited toward continuous service.
- F. For employees on Parenthood Leave, merit increase eligibility dates, probation periods, and performance evaluation dates shall be treated as if the employee were on Official Leave.

Section 11. Family Leave

A. General Provisions

1. Family Leave shall be granted to the extent required by law for the following situations:
 - a. An employee's serious health condition as provided in Section 4. of this Article
 - b. The birth of a child or placement of a child for adoption or foster care as provided in Section 10. of this Article

c. Employee's presence is needed to attend to a serious health condition of the employee's child, spouse, parent, or registered domestic partner or a child of an employee standing "in loco parentis" (those with day-to-day responsibilities to care for and financially support a child who is either under eighteen [18] years old or an adult-dependent child incapable of self-care because of mental or physical disability). Per the FMLA, an employee can also receive leave in accordance with the law for a qualified exigency or as a military caregiver as these terms are defined by the FMLA. These rights are identified by the Authority's posting of employees' FMLA rights.

2. Employees must request and identify their need for Family Leave. When an employee requests Family Leave, the employee shall have the choice of utilizing his/her accrued leave balances, for the purposes of continuing salary and benefits while on Family Leave or the employee may choose to take Leave Without Pay. The Authority and OCEA agree that certain other types of leaves available to employees under this Agreement may meet the requirements of Family Leave pursuant to applicable law. The Authority may apply any time during which an employee is on such leave against the amount of Family Leave to which the employee is entitled.
3. The Authority shall determine if a request for Family Leave is valid within the parameters of applicable law.

4. When a request for Family Leave is approved and the employee has elected to utilize accrued leave hours, the employee shall determine in what order the employee wishes to apply such time. The use of sick leave shall be restricted to those circumstances that qualify under the provisions of Section 1.C. of this Article. Thus, an employee cannot use sick leave to

bond as parenthood leave. Sick leave is only available where the employee or family member for whom leave is taken has a serious health condition as defined under the law.

B. Notification Requirements

1. If the Family Leave is foreseeable, the employee must provide the Authority with thirty (30) calendar days notice of his/her intent to take Family Leave.
2. If the event necessitating the Family Leave becomes known to the employee less than thirty (30) calendar days prior to the employee's need for Family Leave, the employee must provide as much notice as possible. In no case shall the employee provide notice later than five (5) calendar days after he/she learns of the need for Family Leave.
3. When the Family Leave is for the purpose of the scheduled medical treatment or planned medical care of a child, parent, ~~or~~ spouse or registered domestic partner, the employee shall—to the extent practicable—schedule treatment and/or care in a way that minimizes disruption to Authority operations.

C. Verification

1. The Authority may require certification from the health care provider that states; (1) the date on which the condition commenced; (2) the probable duration of the condition; (3) an estimate of time that the employee needs to be off; and (4) that the employee cannot perform his/her duties because of the employee's own serious health condition or that care is needed when the leave is for an eligible family member pursuant to applicable law.
2. The Authority may require a medical certification authorizing the leave as provided for by the Department of Labor for leave per the FMLA statement covering diagnosis, prognosis, and expected date of return.
3. ~~Failure to provide satisfactory verification of the necessity for Family Leave is grounds for denial of the Family Leave.~~

Section 12. Catastrophic Leave

A. Eligibility for Donations—To receive Catastrophic Leave Donations, an employee or his/her immediate family member (immediate family member is defined as father, father-in-law, mother, mother-in-law, stepparent, brother, sister, wife, husband, child, stepchild, grandparent, registered domestic partner or legal guardian) must:

1. Have a catastrophic medical condition that shall require the employee to be on unpaid Leave.

2. Exhaust all allowable ~~accrued sick leave, vacation, and compensatory time.~~

~~2.—~~Submit to the employee's Department Head/Assistant Chief (or his/her designee) a written request for donations accompanied by a medical statement from the employee's or family member's attending physician. The attending physician's statement must verify the employee's need for an extended Medical Leave or the need for the employee to take ~~l~~Leave to care for a member of his/her immediate family. It must include ~~a brief statement of the nature of the illness or injury and~~ an estimated time the employee shall be unable to work.

B. Request for Additional Donations

1. Employees who receive donations under this procedure and who exhaust all donated sick leave may request an additional donation period(s) subject to the provisions of Section 12.A.2. of this Article.

C. Donation Procedure

1. Upon receipt of a valid request for donations from an eligible employee, the Department Head/Assistant Chief (or his/her designee) shall post a notice of the eligible employee's need for donations on the Authority e-mail system, bulletin boards, or other means of notification accessible to employees. Confidential medical information unless voluntarily provided by the employee to the Authority shall not be included in the posted notice.

2. Employees shall be provided a two (2) week period to submit their donations; donations received after the submission period shall not be processed.

3. All donations shall be voluntary.

4. Employees may donate vacation or compensatory time to the eligible employee's catastrophic leave bank; sick leave may not be donated.

5. Donations must be a minimum of two (2) hours, but cannot exceed eight (8) hours; all donations must be made in whole hour increments.

6. All donations shall be irrevocable.

~~7.—~~Employees wishing to donate time to the eligible employee must provide the following:

~~a.—~~The donating employee's name, social security number, and department name

~~b.—~~The number of hours of vacation/compensatory time he/she wishes to donate within the limitations of Section 12.C.5. of this Article

~~c. The name, department, and class title of the eligible employee to whom the time is being donated~~

~~d. A statement from the donating employee indicating he/she understands the donation of time is irrevocable~~

~~e. The donating employee's signature authorizing the transfer of the donated time to the eligible employee~~

~~Note: Donation authorizations that do not contain all the above information shall not be processed.~~

8. At the close of the donation period, the Finance ~~Divisionial Services Section~~ shall verify the base hourly rate of the donating employee and confirm that each donating employee has accrued time balances sufficient to cover the designated donation.

9. The Finance ~~Divisionial Services Section~~ shall process all donations at one (1) time. No additional donations shall be processed during the designated open period.

10. The Authority shall convert the donated time to dollars at the base hourly rate of the donor. The dollars shall then be converted to accrued vacation and sick leave, as described herein, at the base hourly rate of the recipient of the donation. Donated converted hours shall first be added to the recipient's accrued vacation, to the maximum permitted under Section 13.C. of this Article. The balance of the donated converted hours shall then be added to the recipient's sick leave account. These donated vacation and sick leave hours shall be available for use during the recipient's Catastrophic Leave. If any donated hours remain at the end of the recipient's Catastrophic Leave, they shall remain available for the sole use of the recipient. If the recipient dies during the Catastrophic Leave, all unused donated time shall be converted to dollars at the base hourly rate of the recipient and paid to the recipient's surviving spouse or estate in the same manner as any monies due for vacation and/or compensatory time.

11. An employee who is on a ~~Leave~~ wWithout ~~Pay~~ at the time he/she receives a Catastrophic Leave donation shall be treated as if on an ~~Official~~ Official ~~Leave~~ of Absence for purposes of probation and merit increase eligibility.

Section 13. Vacation

A. Accumulation of Vacation

1. Accumulation of vacation shall be in accordance with the following schedule:

Full-Time Employees

YEARS OF COMPLETED CONTINUOUS SERVICE	EQUIVALENT HOURS OF COMPLETED CONTINUOUS SERVICE EXCLUSIVE OF OVERTIME	HOURLY ACCRUAL RATE
1 year	2,080.00 regularly scheduled hours	80 hours total
After 1 year but less than 3 years	2,080.01 through 6,240.00 regularly scheduled hours	0.0385 hours for each regularly scheduled hour paid
After 3 years but less than 10 years	6,240.01 through 20,800.00 regularly scheduled hours	0.0577 hours for each regularly scheduled hour paid
After 10 years	20,800.01 or more regularly scheduled hours	0.077 hours for each regularly scheduled hour paid

2. A new employee in a part-time (regular or limited-term) position shall earn prorated vacation in fifty-two (52) week segments. At the end of fifty-two (52) weeks of employment, the ratio of regularly scheduled hours paid to two thousand eighty (2,080) shall be determined. The same ratio shall be applied to eighty (80) hours to establish the amount of vacation to be credited to the employee's account as of the conclusion of the pay period in which the fifty-two (52) week period ended. The same procedure shall be applied to each subsequent fifty-two (52) week period. Extra help employees shall not earn vacation.

B. Vacation Credit

1. Vacation credit shall be applied to the employee's vacation accumulation account only upon completion of each pay period. No credit shall be applied during the progress of any pay period or for any portion of a pay period during which the employee terminates Authority service.

C. Maximum Allowable Vacation Credit

1. The maximum allowable vacation credit for all OCEA-represented employees shall be three hundred twenty (320) hours. Employees shall be paid for all earned vacation hours exceeding three hundred twenty (320) hours. All vacation hours earned in excess of the maximum allowable vacation credit shall be paid in the pay period earned.

D. General Provisions

1. Not more than eighty (80) hours of paid time may be credited toward accumulation of vacation credit in any pay period.

2. An ~~Official L~~ leave of Absence shall cause the aforementioned ten (10) years of full-time Authority service to be postponed a number of calendar days equal to the ~~Official L~~ leave.
3. Additional vacation earned during the period of vacation may be taken consecutively with the approval of the Fire Chief.
4. In any use of vacation, an employee's account shall be charged to the nearest quarter hour.
5. Vacations shall be scheduled for employees by the Authority; however, consideration shall be given to effectuating the wishes of those employees requesting specific vacation periods.
6. Illness while on paid vacation shall be charged to sick leave rather than vacation only under the conditions specified in Section 1.C.25. of this Article.
7. No employee shall be required to return to work for the Authority in any capacity during the time of his/her paid vacation from the Authority service, except in cases of emergency.
8. An employee separating from Authority service for reasons other than paid Authority retirement shall be paid for all accrued vacation in a lump sum payment. An employee who is separating from Authority service by way of paid Authority retirement may elect either to take time off for his/her vacation or to be paid for his/her vacation in a lump sum payment.
9. During each fiscal year, an employee may request to be paid for accrued vacation in either two (2) separate increments of up to forty (40) hours each or one (1) increment of up to eighty (80) hours. Such payment shall be made upon request unless the Authority determines it is not economically or operationally feasible, in such case payment shall be made as soon as feasible.
10. No scheduled vacation shall be canceled, except in cases of emergency.
11. When an employee's service consists of part-time regular service or a combination of full-time regular and part-time regular service, both periods of service shall apply towards the required ten (10) years of service, with the part-time service being applied proportionately to the appropriate full-time interval.
12. No employee shall be permitted to work for compensation for the Authority in any capacity during the time of his/her paid vacation from Authority service. Employees are permitted to receive reimbursements for voluntary service as ~~Volunteer~~ Reserve Firefighters while on paid vacation from Authority service.
13. When a person is reemployed in a regular or limited-term position, the Human Resources Director may, upon the request of the Department

Head/Assistant Chief, apply the period of previous Authority continuous service for the purpose of determining vacation earning rates.

Section 14. Leave for Attendance at Professional Conferences

- A. Supervisory Management Unit employees may request four (4) working days each fiscal year for attendance at professional conferences subject to all the following conditions:
 - 1. A request is made in advance on the appropriate "Request to Attend a Conference" form
 - 2. The conference is job-related and qualifies for continuing education units (CEU) if the incumbent's position requires certification or if the incumbent is a registered nurse
 - 3. The employee pays all costs connected with the conference attendance, including registration, meals, transportation, and/or lodging, if any
 - 4. The employee agrees to provide, within two (2) weeks following the conference, a comprehensive report on the event to the employee's supervisor with a copy to the Department Head/Assistant Chief (to include conference materials, handouts, etc.)
 - 5. The employee's workload is current and his/her performance is standard or above.
- B. Attendance at conferences by eligible members of the Supervisory Management Unit shall be scheduled throughout the fiscal year to avoid concentration of absences at the same time in the Authority or in the assigned unit or section.
- C. Multiple requests to attend the same conference or conferences scheduled at the same time shall be considered based upon availability of adequate caseload coverage in the applicable units, past record of conference attendance, and applicability of the conference to the specific work assignment of the employee.
- D. Requests may be made for more than four (4) days leave for attendance at a professional conference in any one fiscal (1) year under this provision; however, approval shall be at the discretion of the Department Head/Assistant Chief.
- E. Attendance at conferences out of the general area shall require approval under the Authority Travel Request procedure and is not covered by this provision.

Section 15. Paid Annual Leave (05/26/11)

- A. Upon completion of initial probation with the Authority, employees are eligible for thirty-six (36) hours of paid annual leave as follows (05/26/11):

1. Upon completion of new hire probation with the Authority, an employee will be eligible to take up to thirty-six (36) hours of paid time off each year, in addition to his/her accrued time ~~(05/26/11)~~.
2. Eligibility for paid time-off will be effective January 1 of the subsequent year following the employee's completion of probation with the Authority ~~(05/26/11)~~.
3. This time may not be accrued and must be used within the year earned, which shall be no later than December 31 of that year. As permitted by California Labor Code section 227.3, aAny time not used by the employee within the year earned, will be forfeited ~~(05/26/11)~~.
4. This time may not be cashed-out ~~(05/26/11)~~.
5. Approval of requested time off dates is subject to operational needs, and requests should be made in advance. If a specific date is denied, the supervisor will attempt to schedule a mutually agreeable alternate date. Such alternate dates must be scheduled within the year the paid annual leave is earned ~~(05/26/11)~~.

ARTICLE VI

HOLIDAYS

Section 1. Holidays Observed

A. Employees shall observe the following holidays:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- Lincoln's Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- **Day after Thanksgiving**
- **Christmas Eve**
- Christmas Day

Section 2. Twenty-Four (24) Hour and Thirteen (13) Hour Workday Employees

A. Holiday Compensation

1. For each holiday listed in Section 1.A. of this Article, a full-time employee regularly working a twenty-four (24) hour workday or thirteen (13) hour workday schedule shall have the option of receiving nine (9) hours of holiday pay or nine (9) hours of compensatory time for each official Authority holiday that falls during the pay period, except that an employee who terminates during a pay period shall not be eligible for holiday pay if the holiday falls on a day after termination from employment in such pay period. A part-time employee shall have the option of being paid or receiving compensatory time at the rate of one (1) hour for each five (5) hours of regularly scheduled work in the workweek to a maximum of nine (9) hours of holiday pay or compensatory time ~~(05/26/11)~~.

2. Employees shall be paid in the pay period that the holiday occurs.

3. Approval for the use of compensatory time is subject to operational needs. If a specific date is denied, the supervisor will attempt to schedule a mutually agreeable alternate date ~~(05/26/11)~~.

4. Full-time employees who are on active pay status during the pay period that includes March 1st of each fiscal year, during the term of this **MOU Agreement**, shall be paid two (2) hours of spring holiday pay at the end of the pay period that includes that date. Part-time employees whose

regularly assigned work schedule is at least twenty (20) hours per workweek shall, in like manner, be paid one (1) hour of pay.

B. Eligibility for Holiday Pay

1. An employee must be in an active pay status immediately before and after the holiday in order to receive holiday pay.
2. A new employee whose first workday is the day after a holiday shall not be paid for that holiday.
3. An employee whose retirement date is effective on a holiday shall be paid for the holiday.
4. An employee who is terminating employment for reasons other than paid Authority retirement and whose last day as a paid employee is the day before a holiday shall not be paid for that holiday.
5. Only regular, limited-term, and probationary employees shall be eligible for holiday pay.

C. Compensation for Work on Holidays

1. An employee who is required to work on a holiday listed in Section 1.A. of this Article and who meets the eligibility requirements contained herein shall be paid holiday pay as specified in Section 2.A. of this Article, and be paid for all hours worked on a holiday at a rate of one and ~~one half~~^{five-tenths} (1.5) times the employee's base hourly rate.

Section 3. Nine (9) Hour and Eight (8) Hour Workday Employees

A. Holiday Compensation

1. For each holiday listed in Section 1.A. of this Article, each full-time employee covered by this Section and scheduled to work—but permitted to take the day off—shall be paid for the number of hours the employee is regularly scheduled to work that workday. A part-time employee covered by this Section and scheduled to work—but permitted to take the day off—shall be paid for the number of hours the employee was regularly scheduled to work, but permitted to take the day off, shall be paid for the number of hours the employee was regularly scheduled to work to a maximum of nine (9) hours of holiday pay or compensatory time ~~(05/26/11)~~.

2. When a holiday listed in Section 1.A. of this Article falls on a full-time employee's regularly scheduled day off, the employee shall have the option of receiving eight (8) hours of holiday pay or eight (8) hours of compensatory time. A part-time employee shall have the option of being paid or receiving compensatory time in the amount of one (1) hour for each five (5) hours of regularly scheduled work in the workweek to a maximum of eight (8) hours of holiday pay ~~(05/26/11)~~.

3. When a holiday falls on a Sunday, the next day—Monday—shall be observed as the holiday.
4. When Christmas Day or New Year's Day falls on a Saturday, the Friday immediately preceding shall be observed as the holiday.

5. Employees shall be paid on the pay day following the pay period that the holiday occurs.

6. Approval for the use of compensatory time is subject to operational needs. If a specific date is denied, the supervisor will attempt to schedule a mutually agreeable alternate date ~~(05/26/11)~~.

7. Full-time employees who are on active status during the pay period that includes March 1 of each fiscal year, during the term of this Agreement, shall be paid two (2) hours of spring holiday pay at the end of the pay period that includes that date. Part-time employees whose regularly assigned work schedule is at least twenty (20) hours per workweek shall, in like manner, be paid one (1) hour of holiday pay.

B. Eligibility for Holiday Pay

1. An employee must be in an active pay status immediately before and after the holiday in order to receive holiday pay.
2. A new employee whose first workday is the day after a holiday shall not be paid for that holiday.
3. An employee whose retirement date is effective on a holiday shall be paid for the holiday.

~~4. An employee who is terminating employment for reasons other than paid Authority retirement and whose last day as a paid employee is the day before a holiday shall not be paid for that holiday.~~

45. Only regular, limited-term, and probationary employees shall be eligible for holiday pay.

C. Compensation for Work on Holidays

1. An employee who is required to work on a holiday listed in Section 1.A. of this Article and who meets the eligibility requirements contained herein shall be paid holiday pay as specified in Section 3.A. of this Article and be paid for all hours worked on a holiday at a rate of one and one half ~~five-tenths~~ (1.5) times the employee's base hourly rate.

D. Holidays that fall during an employee's vacation period shall not be charged against the employee's vacation balance.

ARTICLE VII

REIMBURSEMENT PROGRAMS

Section 1. Mileage Reimbursement

- A. Subject to the current Vehicle Rules and Regulations established by the Board, an employee who is authorized to use a private automobile in the performance of duties shall be reimbursed for each mile driven in the performance of his/her duties during each monthly period as follows:
1. The reimbursement rate shall be the Internal Revenue Service Standard Mileage Rate for the Business Use of a Car.
 2. There shall not be any duplication or pyramiding of reimbursement rates paid under this Section.
- B. An employee who is required by the Authority to furnish a privately-owned vehicle for the performance of his/her duties shall receive a minimum of ten dollars (10) in any month in which the actual mileage reimbursement would otherwise be less than ten dollars (10). The minimum shall not apply in any month:
1. In which the employee has not actually worked eighty (80) hours.
 2. Unless the employee claims the ten dollar (10) minimum and the Authority certifies that the employee was required to use a privately-owned vehicle on Authority business.

Section 2. Personal Property Reimbursement

- A. Employees shall, in proper cases, be reimbursed for the repair or replacement of personal property damaged in the line of duty without fault of the employee. The amount of reimbursement for articles of clothing shall be the depreciated value based on the age and condition of the article. Reimbursement for a watch shall be limited to the functional value of the watch.

Section 3. Tools Reimbursement

- A. Eligible employees as designated below, who are required to furnish their own tools shall receive a maximum tool reimbursement of two hundred and fifty (\$250) dollars in a fiscal year:

- Communications Installer
- Communications Technician
- Senior Communications Technician

B. Eligible employees as designated below who are required to furnish their own tools shall receive a maximum tool reimbursement of ~~one thousand (1,000) dollars in a calendar year. Effective 01/01/11 the maximum reimbursement will be increased to~~ one thousand one hundred fifty (\$1,150) dollars in a calendar year.

- Assistant Fire Apparatus Technician
- Fire Apparatus Technician
- Fire Helicopter Technician
- Senior Fire Apparatus Technician
- Senior Fire Helicopter Technician

C. The Authority shall replace or furnish insurance protection for employee-owned trades and crafts tools required by the Authority to be used in the performance of the employee's duties against loss sustained on Authority-owned or controlled property resulting from theft and arising out of the activities related to the employee's regularly assigned work duties. This shall be provided that the loss is not attributable to negligence of the employee, in which case it shall not be covered. For each incident, a deductible of twenty-five (\$25) dollars shall be applied to each employee's loss. The payment or non-payment of claims under such coverage shall not be subject to appeal under the grievance procedure.

D. If stolen tools are recovered in an undamaged condition and replacement tools have been secured, the employee shall return the replacement tools to the Authority. When replacement tools are returned, the employee shall receive from the Authority a twenty-five (\$25) dollar cash refund in consideration of the twenty-five (\$25) dollar deductible. If replacement tools have not been secured, the employee shall return all reimbursement funds received from the Authority.

Section 4. Tuition Reimbursement

A. Full-time (regular, limited-term, and probationary) Supervisory Management Unit employees performing their jobs satisfactorily shall be eligible for tuition reimbursement at a maximum of two thousand dollars (\$2,000) ~~seven hundred fifty (750) dollars~~ each fiscal year. Eligibility shall be in accordance with Authority policy.

B. Full-time (regular, limited-term, and probationary) General Unit employees performing their jobs satisfactorily shall be eligible for tuition reimbursement at a maximum of ~~five hundred (500) dollars~~ two thousand dollars (\$2,000) each fiscal year. Eligibility shall be in accordance with Authority policy.

ARTICLE VIII

DISCIPLINARY AND PREDISCIPLINARY ACTIONS

Section 1. Reprimand or Denial of Merit Increase

- A. No regular, limited-term regular, or promotional probationary employee shall receive a written reprimand or denial of merit increase, except for reasonable cause.
- B. A written reprimand or denial of merit increase may be appealed through this appeal procedure. Such appeal shall be initiated at Step 1 of this procedure.

Section 2. Disciplinary Hearing for Suspension, Reduction, or Discharge

- A. In suspending a regular, limited-term regular, or promotional probationary employee for more than forty (40) regularly scheduled hours (if assigned to a forty [40] hour workweek) or two (2) twenty-four (24) hour workdays (if assigned to a twenty-four [24] hour workday) or in reducing a regular or limited-term regular employee for reasons of unsatisfactory performance or physical disability, or in discharging a regular or limited-term regular employee, a written notice of such proposed disciplinary action shall be served on the employee personally or by certified mail at least fourteen (14) calendar days prior to the effective date of the proposed action. Such written notice shall contain:
 - 1. A description of the proposed action and its effective date(s)
 - 2. A statement of the reasons for such proposed action, including the acts or omissions on which the proposed action is based;
 - 3. Copies of material on which the proposed action is based;
 - 4. A statement of the employee's right to respond—either orally or in writing—prior to the effective date of such proposed action;
 - 5. A statement of the employee's right to representation; and
 - 6. A statement of the employee's right to appeal should such proposed action become final.
- a. In suspending a regular, limited-term regular, or promotional probationary employee for forty (40) regularly scheduled hours or less (if assigned to a forty [40] hour workweek) or two (2) twenty-four (24) hour workdays or less (if assigned to a twenty-four [24] hour workday), the above notice requirements shall be complied with, if practicable, prior to the effective date of the suspension and, in any event, not more than fourteen (14) calendar days after the effective date of the suspension.

- b. An employee shall be given an opportunity to respond, either orally or in writing, at the employee's option, to a designated Authority representative with the authority to make an effective recommendation on the proposed disciplinary action prior to the effective date of such suspension, reduction, or discharge.
- c. An employee shall be given reasonable time off without loss of pay to attend a disciplinary hearing.
- d. An employee may represent himself/herself or may be represented by the OCEA in the disciplinary process.
- e. An employee and his/her representative shall receive written notice either sustaining, modifying, or canceling a proposed discharge on or prior to the effective date of such action.
- f. An employee and his/her representative shall receive written notice either sustaining, modifying, or canceling a proposed suspension or reduction prior to the effective date of such action.
- g. Should a proposed suspension, reduction, or discharge become final, an employee shall have the right to appeal such action pursuant to Section 3. of this Article.
- h. If deemed necessary, the Authority may remove an employee from the worksite immediately because of a potential emergency situation including—but not limited to—situations that may endanger life or property.

Section 3. Right of Appeal

A. Suspension

- 1. No regular, limited-term regular, or promotional probationary employee shall be suspended, except for reasonable cause.
- 2. A written notice of such suspension stating specifically the cause of the suspension shall be given to the employee.
- 3. An appeal of suspension shall be initiated in accordance with Section 5. of this Article.

B. Reduction

- 1. No regular employee or limited-term regular employee shall be reduced to a position in a lower class for reasons of unsatisfactory performance or physical disability, except for reasonable cause.
- 2. A written notice of such reduction stating specifically the cause of the reduction shall be given to the employee.

3. An appeal of reduction to a position in a lower class shall be initiated in accordance with Section 5. of this Article.

C. Discharge

1. No regular or limited-term regular employee shall be discharged, except for reasonable cause.

2. A written notice of such discharge stating specifically the cause of the discharge shall be given to the employee.

3. An appeal of discharge shall be initiated in accordance with Section 5. of this Article.

D. Failure of the employee to comply with the time limits set forth in this Article shall signify that the employee has waived his/her right to further process the appeal, and the disciplinary action shall stand as intended/administered. Failure by the Authority representative to timely respond under this Article shall permit the employee to progress the appeal to the next step.

E. The time limits for appeals, set forth in this Article, may be extended by mutual agreement between the Authority representative and employee or his/her representative.

Section 4. Polygraph Examination

A. No employee shall be compelled to submit to a polygraph examination. No disciplinary action whatsoever shall be taken against an employee refusing to submit to a polygraph examination; nor shall any comment be anywhere recorded indicating that an employee offered to take, took, or refused to take a polygraph examination, unless otherwise agreed to in writing by the parties; nor shall any testimony or evidence of any kind regarding an employee's offer to take or refusal to take or the results of a polygraph examination be admissible in any proceeding pursuant to this Memorandum of Understanding, unless otherwise agreed to in writing by the parties.

Section 5. Appeal Procedure

A. All Step 1 and Step 2 appeals must be submitted to the Human Resources Director or the employee's Battalion Chief, Division Chief, Division Manager, or Section Manager within the time limits outlined in this Article. If the appeal is submitted to the employee's Battalion Chief, Division Chief, Division Manager, or Section Manager, a copy shall be forwarded to the Human Resources Director. Submission of the appeal may be via mail, email, hand delivery, or fax; postmarks shall be accepted. Fax deliveries must be received no later than 5:00 p.m. on the last day allowable under the provisions of this Article. Any suspension, reduction, or discharge imposed by the Fire Chief may be submitted directly to arbitration in accordance with Section 6. of this Article. Any notification of intent to discharge or probationary release, where the employee is alleging discrimination, may be submitted directly to Step 2 of this procedure. To facilitate submittal of appeals, the OCEA shall have the

right to submit an appeal in the name of the employee at the employee's request.

1. STEP 1

- a. Reprimand or Merit Increase Denial—Battalion Chief, Section Manager, Division Manager, or Division Chief

Upon receipt of a reprimand or denial of a merit increase, an employee may, within fourteen (14) calendar days of receipt of such notice, submit a request to the Human Resources Director, Division Chief, Division Manager, Battalion Chief, or Section Manager for a meeting to address the matter. The Human Resources Director shall schedule a meeting with the appropriate Division Manager, Battalion Chief, Section Manager, or Division Chief to hear the employee's presentation. After hearing the employee's presentation, the Division Manager, Battalion Chief, Section Manager, or Division Chief shall issue a written determination within fourteen (14) calendar days.

- b. Suspension or Reduction—Assistant Chief

Upon receipt of a notice of intent involving suspension or reduction, an employee may, within fourteen (14) calendar days of receipt of such notice, submit a request to the Human Resources Director, Division Chief, Division Manager, Battalion Chief, or Section Manager for a meeting to address the charges in the notice. The Human Resources Director shall schedule a meeting with the appropriate Assistant Chief to hear the employee's presentation. After hearing the employee's presentation, the Assistant Chief shall issue a written determination relative to the intended action within fourteen (14) calendar days.

2. STEP 2

- a. Reprimand or Merit Increase Denial—Assistant Chief

If the employee does not agree with the outcome in Step 1, the employee may, within fourteen (14) calendar days of receipt of the Step 1 written determination, submit a written appeal to the Human Resources Director, Division Chief, Division Manager, Battalion Chief, or Section Manager. Within fourteen (14) calendar days of receipt of the appeal at Step 2, the appropriate Assistant Chief shall meet with the appellant and his/her representative. Within fourteen (14) calendar days thereafter, a written decision shall be provided to the appellant and his/her representative. The determination shall be final and binding and will not be referable to arbitration.

b. Suspension/Reduction or Probationary Release Alleging Discrimination or Discharge—Fire Chief or Deputy Fire Chief

Suspension or Reduction - If the employee does not agree with the outcome in Step 1, the employee may—within fourteen (14) calendar days of the receipt of the Step 1 written determination submit a written appeal to the Human Resources Director. Within fourteen (14) calendar days of receipt of the appeal, the Fire Chief or, if designated, the Deputy Fire Chief shall meet with the appellant and his/her representative. Within fourteen (14) calendar days thereafter, a written decision shall be provided to the appellant and his/her representative.

Probationary Release Alleging Discrimination or Discharge—If the employee receives a notice of intent to discharge or is alleging that his/her probationary release is due to discrimination, the employee may begin his/her appeal process at Step 2 by submitting a written appeal to the Human Resources Director within fourteen (14) calendar days of receipt of such written notification. Within fourteen (14) calendar days of receipt of the appeal, the Fire Chief or, if designated, the Deputy Fire Chief shall meet with the appellant and his/her representative. Within fourteen (14) calendar days thereafter, a written decision shall be provided to the appellant and his/her representative.

Section 6. Referrals to Arbitration

- A. If the suspension, reduction, or discharge is imposed by the Fire Chief, the employee may submit the matter directly to arbitration in accordance with Section 6. of this Article.
- B. If the employee does not agree with the outcome at Step 2 regarding a suspension, reduction, or discharge, the employee may appeal the matter to arbitration by submitting the appeal to the Human Resources Director within fourteen (14) calendar days from the date of receipt of such Step 2 decision. As soon as practicable thereafter or as otherwise agreed to by the parties, an arbitrator shall hear the appeal.
- C. All disciplinary appeals shall be signed by the appellant or his/her representative of the Association and shall be submitted in writing.
- D. Finding of Facts and Remedies
 - 1. An arbitrator may sustain, modify, or rescind an appealed disciplinary action as follows and subject to the following restrictions:
 - a. All Disciplinary Actions
 - i. If the arbitrator finds that the disciplinary action was taken for reasonable cause, he/she shall then determine if the disciplinary action imposed on the employee was appropriate. The arbitrator shall have the right, and the responsibility, to modify the discipline if, in his/her opinion, it is not appropriate.

- b. Suspensions/Reductions
 - i. If the action is modified or rescinded, the appellant shall be entitled to restoration of pay and/or fringe benefits in a manner consistent with the arbitrator's decision and consistent with Section 6.E. of this Article.
- c. Discharges
 - i. If the arbitrator finds the order of discharge should be modified, the appellant shall be restored to a position in his/her former class subject to forfeiture of pay and fringe benefits for all or a portion of the period of time the appellant was removed from duty, as determined by the arbitrator and consistent with Section 6.E. of this Article.
 - ii. If the arbitrator finds that the order of discharge should be rescinded, the appellant shall be reinstated in a position in his/her former class and shall receive pay and fringe benefits for all of the period of time he/she was removed from duty and consistent with Section 6.E. of this Article.

E. Restriction on Remedies

- 1. Restoration of pay and benefits shall be subject to deduction of all unemployment insurance, applicable taxes and withholdings, and outside earnings that the appellant received since the date of discharge.

F. Probationary Releases Alleging Discrimination

- 1. The issues to be submitted to the arbitrator in appeals filed pursuant to Article VIII shall be as follows and shall be submitted consistent with Section 6. of this Article:
 - a. Was the probationary release of (employee's name) in whole or in part the result of discrimination?
 - b. If so, what shall the remedy be under the provision of Section 6.F.2., Findings of Facts and Remedies, of this Article?
- 2. Findings of Facts and Remedies
 - a. In the event the arbitrator finds no discrimination, the appeal shall be denied, and the issue of remedy becomes moot.
 - b. In the event the arbitrator finds discrimination but also finds such discrimination was not a substantial cause of the employee's probationary release, the appeal shall be denied, and the issue of remedy becomes moot.

c. In the event the arbitrator finds discrimination and also finds such discrimination was a substantial cause of the probationary release of the employee, the arbitrator's award shall depend upon the significance of the violation and shall be in keeping with the following alternatives:

- The probationary release may be sustained.
- The employee may be reinstated in a position in his/her former class subject to forfeiture of pay and fringe benefits for all or a portion of the period of time the employee was removed from duty. The employee may be required to serve the remainder of any outstanding probation period.

- The employee may be reinstated in a position in his/her former class with full back pay and benefits for all the period of time the employee was removed from duty. The employee may be required to serve the remainder of any outstanding probation period.

- However, the arbitrator shall be without power to pass the employee off probation. That decision is ultimately the decision of the Authority.

Section 7. General Provisions

- A. If the appeal is decided by an arbitrator, the appellant and his/her representative relinquish any current or future claim to seek or obtain remedy through any other Authority appeal procedures.
- B. The cost of an arbitrator shall be shared equally in all cases by the Authority and the appealing party, except when the appealing party solely alleges discrimination, in which case, the Authority shall bear the full cost. When the appeal involves both discrimination and other arbitrable issues, the proper division of costs shall be determined by the arbitrator.
- C. Appeal hearings by an arbitrator shall be private.

D. Arbitration appeal hearings for suspensions of less than forty (40) hours (if assigned to a forty [40] hour workweek) or two (2) twenty-four (24) hour workdays (if assigned to a twenty-four [24] hour workday) shall be limited to one (1) day, unless both parties agree that a longer hearing is necessary. Both parties shall be allotted equal time during arbitration hearings involving such suspensions. The one (1) day limitation for arbitration appeal hearings shall not apply to suspensions imposed by the Fire Chief.

The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree upon an arbitrator, a list of seven (7) arbitrators shall be obtained from the California State Conciliation Service, the American Arbitration Association, or some other agreed upon source, and each party shall alternately strike one (1) name from the list until only one (1) name

remains. The parties will flip a coin to determine who will strike the first name.

- E. Upon written request by the opposing party in a pending hearing given at least twenty-eight (28) calendar days prior to the scheduled hearing date, the party requested shall supply to the party submitting the requested copies of all documentary evidence to be used by that party at the hearing. Such evidence shall be provided no later than fourteen (14) calendar days prior to the scheduled hearing date. Any evidence not so provided may not be admitted or offered as evidence at the subsequent hearing, except that any such documentary evidence discovered by a party after such a request for copies—but not soon enough to comply with the above time limits—may be admitted, provided it could not have been discovered sooner by reasonable means and provided further that a copy or copies of such evidence be afforded the requesting party as soon as practicable after such discovery. Nothing contained herein shall operate to prevent either party from presenting additional documents by way of rebuttal.
- F. An employee shall not suffer loss of pay for time spent as a witness at an arbitration hearing held pursuant to this procedure. The number of witnesses requested to attend and their scheduling shall be reasonable and scheduled in advance.
- G. At the hearing, both the OCEA and the Authority shall have the right to be heard and to present evidence. The following rules shall apply:
 - 1. Oral evidence shall be taken only on oath or affirmation.
 - 2. Each party shall have these rights: to call and examine witnesses, to introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination, to impeach any witness regardless of which party first called the witness to testify, and to rebut the evidence against the witness. If the employee does not testify in his/her own behalf, the employee may be called and examined as if under cross-examination.
- H. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might have made improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are not—or hereafter may be—recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded.
- I. The Authority shall be allowed to have at least one (1) employee who may be called upon to testify as a witness present at the arbitration hearing at all times.

- J. The decision of the arbitrator shall be final and binding on all parties.

Section 8. Investigatory Meetings Regarding Proposed Discipline

- A. An employee required to attend an investigatory meeting that may result in disciplinary action shall receive advance notice of such meeting. Such notice shall include:
 - 1. A statement of the reasons for such meeting, including the subject matter and the fact that the meeting could lead to discipline; and
 - 2. A statement of the employee's right to representation.

ARTICLE IX

GRIEVANCE PROCEDURE

Section 1. Scope of Grievances

- A. A grievance may be filed if a management interpretation or application of the provisions of this ~~MOU Memorandum of Understanding~~ adversely affects an employee's wages, hours, or conditions of employment. In addition, disputes involving performance evaluations rated "substandard" and Authority procedures that implement specific provisions of this Agreement in the areas of overtime, intradepartmental transfers, vacations, and trades of work hours may be processed through the grievance procedure.
- B. Specifically excluded from the Scope of Grievances are:
1. Subjects involving the amendment or change of Board of Directors resolutions, ordinances, or minute orders that do not incorporate the provisions of this Memorandum of Understanding;
 2. Matters that have other means of appeal including, including, but not limited to, matters that may be appealed through the Workers' Compensation Appeals Board;
 3. Position classification; or
 4. Performance evaluations rated standard or above.

Section 2. Basic Rules

- A. If an employee does not present a grievance or does not appeal the decision rendered regarding his/her grievance within the time limits, the grievance shall be considered resolved.
- B. If an Authority representative does not render a decision to the employee within the time limits, the employee may, within fourteen (14) calendar days, thereafter appeal to the next step in the procedure.
- C. If it is the judgment of any management representative that he/she does not have the authority to resolve the grievance, he/she may refer it to the next step in the procedure. By mutual agreement of the Authority and the OCEA, Step 1 of the grievance procedure may be waived.
- D. Upon prior written consent of the parties (i.e., the representatives of the Authority and the employee or his/her representative), the time limits at any step in the procedure may be extended.
- E. Every reasonable effort shall be made by the employee and the Authority to resolve a grievance at the lowest possible step in the grievance procedure.

- F. No claim shall be granted for retroactive adjustment of any grievance prior to ninety (90) calendar days from the date of filing the written grievance at Step 1.
- G. The OCEA shall have the right to a representative present throughout the grievance process.
- H. In order to encourage candid discussion and compromise in attempting to resolve grievances, the Authority and the OCEA agree that the grievance files of the respective parties shall be confidential.

Section 3. Submission of Grievances

- A. Any employee or group of employees shall have the right to present a grievance. The OCEA shall have the right to file grievances on behalf of the general membership; however, when the OCEA files a grievance on behalf of the general membership, it shall provide the Authority with the names of individuals who have been adversely affected. The OCEA has the right to grieve and arbitrate issues that solely affect the rights of the OCEA. No employee or group of employees shall be hindered from or disciplined for exercising this right.
- B. If any two (2) or more employees have essentially the same grievance, they may, and if requested by the Authority must, collectively present and pursue their grievance if they report to the same immediate supervisor.
- C. If the grievant is a group of more than three (3) employees, the group shall, at the request of the Authority, appoint one (1) or two (2) employees to speak for the collective group.

Section 4. Employee Representation

- A. An employee may represent himself/herself or may be represented by the OCEA in the formal grievance procedure.
- B. Authorized grievance representatives shall be designated by the OCEA to represent employees for purposes of grievance procedures. The OCEA shall notify the Human Resources Director of the names and titles of such representatives. This notice shall be updated each time a change in designated representative(s) occurs.

Section 5. Time Off for Processing Grievances

- A. Reasonable time off without loss of pay shall be given to:
 - 1. An employee who has a grievance, in order to attend a meeting with his/her supervisor or other person with authority to resolve the matter, as prescribed herein.

2. An authorized grievance representative, in order to attend a meeting with the represented grievant's supervisor or other person with authority to resolve the grievance, as prescribed herein, or to obtain facts concerning the action grieved through discussion with the grievant or other employees.
- B. The following restrictions shall apply in all cases to activity authorized in Section 5.A. of this Article:
1. Before performing grievance work, the grievant or grievance representative shall obtain the permission of his/her supervisor and shall report back to the supervisor when the grievance work is completed.
 2. Neither the grievant nor the grievance representative shall interrupt or leave his/her job to perform grievance work, unless his/her supervisor determines that such interruption or absence shall not unduly interfere with the work of the unit in which the grievant or representative is employed. However, an effort shall be made to grant such time off as soon as it is feasible to do so.
 3. When an authorized grievance representative must go into another section or unit to investigate a grievance, the representative shall be permitted to do so, provided that:
 - a. The representative checks in and checks out with the supervisor of the unit; and
 - b. Such investigation shall not unduly interfere with the work of the unit.

Section 6. Informal Discussion

- A. If an employee has a problem relating to a work situation, the employee is encouraged to request a meeting with his/her immediate supervisor to discuss the problem in an effort to clarify the issue and to work cooperatively toward settlement.

Section 7. Formal Grievance Steps

- A. The grievance procedure shall consist of the following steps, each of which must be completed prior to any request for further consideration of the matter, unless waived by mutual consent or as otherwise provided herein.

- B. All Step 1 and Step 2 grievances must be submitted to the Human Resources Director, the employee's Battalion Chief, Section Manager, Division Manager, or Division Chief within the time limits outlined in this Article. If the grievance is submitted to the employee's Battalion Chief, Section Manager, Division Manager, or Division Chief, a copy shall be forwarded to the Human Resources Director. Submission may be via mail, hand delivery, email or fax; postmarks shall be accepted. Fax deliveries must be received no later than 5:00 p.m. on the last day allowable under the provisions of this Article. A grievance may be filed by an employee—or the Association in the name of the employee—at the employee's request.

1. STEP 1: Battalion Chief, Section Manager, Division Manager, or Division Chief

- a. If an employee has a grievance, the employee or the OCEA, on behalf of the employee, may formally submit a grievance to the Human Resources Director, Battalion Chief, Section Manager, Division Manager, or Division Chief within fourteen (14) calendar days from the occurrence that gives rise to the problem. A Step 1 grievance shall be heard by a Battalion Chief, Section Manager, Division Manager, or Division Chief. In those cases where the Battalion Chief is the immediate supervisor and is the subject of the grievance, the Battalion Chief and the Division Chief shall meet with the grievant within the time limit.
- b. Such submission shall be in writing and shall state the nature of the grievance and the suggested solution. Within fourteen (14) calendar days after receipt of the written grievance, the Battalion Chief, Section Manager, Division Manager, or Division Chief shall meet with the grievant.
- c. Within fourteen (14) calendar days thereafter, a written decision shall be given to the grievant. The written decision at Step 1 shall be signed by the reviewing officer.

2. STEP 2: Fire Chief, Deputy Fire Chief, or Assistant Chief

- a. If the grievance is not settled under Step 1 and it concerns an alleged misinterpretation or misapplication of this ~~MOU Memorandum of Understanding~~ or a substandard performance evaluation, it may be appealed in writing to the Human Resources Director within fourteen (14) calendar days after receipt of the written decision from Step 1. Within fourteen (14) calendar days after receipt of the written grievance, the Fire Chief or, if designated, the Deputy Fire Chief or appropriate Assistant Chief shall meet with the grievant and his/her representative. Within fourteen (14) calendar days thereafter, a written decision shall be given to the grievant and his/her representative. The decision of the Fire Chief or his/her designee, regarding a substandard performance evaluation, shall be final and binding and shall not be referable to arbitration.

Section 8. Referrals to Mediation

- A. As an alternative to proceeding directly to arbitration after completion of Step 2, the parties may mutually agree to submit a grievance to mediation. A request for mediation may be presented in writing to the Human Resources Director within fourteen (14) calendar days from the date a decision was rendered at Step 2. A request for mediation shall automatically suspend the normal processing of a grievance until the mediation process is completed. The Authority shall respond to a request for mediation within fourteen (14) calendar days. The mediation process shall be optional, and any opinion

expressed by the mediator shall be informal and shall be considered advisory. Should the mediation process not be successful, within fourteen (14) calendar days after completion of the mediation process, an arbitration request may be filed pursuant to Section 9. of this Article.

Section 9. Referrals to Arbitration

- A. If a grievance is not resolved under Step 2 or mediation, an arbitration request may be submitted in writing by the OCEA to the Human Resources Director within fourteen (14) calendar days from the date a decision was rendered at Step 2 or the completion of the mediation process. As soon as practicable thereafter, or as otherwise agreed to by the parties, an arbitrator shall hear the grievance.
- B. The parties shall either sign a joint issue submission statement or else execute and sign separate alternative issue statements after discussing the issue(s). In either case, the parties shall send copies of their joint or separate submission statement(s) to each other within fourteen (14) calendar days before the first scheduled date of the arbitration hearing.

Section 10. General Provisions

- A. If the grievance is decided by an arbitrator, the grievant and his/her representative relinquish any current or future claim to seek or obtain remedy through any other Authority appeal procedures.
- B. The cost of an arbitrator shall be shared equally in all cases by the Authority and the appealing party, except when the appealing party solely alleges discrimination, in which case, the Authority shall bear the full cost. When the grievance involves both discrimination and other arbitrable issues, the division of costs shall be determined by the arbitrator.
- C. Grievance hearings by an arbitrator shall be private.
- D. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree upon an arbitrator, a list of seven (7) arbitrators shall be obtained from the ~~California State Conciliation Service~~Public Employment Relations Board, the American Arbitration Association, or some other agreed upon source, and then each party shall alternately strike one (1) name from the list until only one (1) name remains.
- E. Upon written request by the opposing party in a pending hearing given at least twenty-eight (28) calendar days prior to the scheduled hearing date, the party requested shall supply to the party submitting the request copies of all documentary evidence to be used by that party at the hearing. Such evidence shall be provided no later than fourteen (14) calendar days prior to the scheduled hearing date. Any evidence not so provided may not be admitted or offered as evidence at the subsequent hearing, except that any such documentary evidence discovered by a party after such a request for copies—but not soon enough to comply with the above time limits—may be admitted, provided it could not have been discovered sooner by reasonable

means and provided further that a copy or copies of such evidence be afforded the requesting party as soon as practicable after such discovery. Nothing contained herein shall operate to prevent either party from presenting additional documents by way of rebuttal.

- F. An employee shall not suffer loss of pay for time spent as a witness at an arbitration hearing held pursuant to this procedure. The number of witnesses requested to attend and their scheduling shall be reasonable and scheduled in advance.
- G. At the hearing, both the OCEA and the Authority shall have the right to be heard and to present evidence. The following rules shall apply:
 - 1. Oral evidence shall be taken only on oath or affirmation.
 - 2. Each party shall have these rights: to call and examine witnesses, to introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination, to impeach any witness regardless of which party first called the witness to testify, and to rebut the evidence against the witness. If the employee does not testify in his/her own behalf, the employee may be called and examined as if under cross-examination.
- H. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might have made improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now, or hereafter may be, recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded.
- I. The Authority shall be allowed to have at least one (1) employee who may be called upon to testify as a witness present at the arbitration hearing at all times.
- J. The decision of the arbitrator shall be final and binding on all parties.

ARTICLE X

LAYOFF PROCEDURE

Section 1. General Provisions

- A. This procedure shall not apply to a temporary layoff of less than four (4) consecutive weeks.
- B. Section 7., Reinstatement Lists, and Section 8., Status on Reinstatement, of this Article shall not apply if the Authority has a written agreement with an employer, public or private, that guarantees the Authority employee an offer of reasonably comparable employment with the new employer who is taking over a function formerly performed by Authority employees and the new employer makes such an offer in writing to the employee.
- C. This procedure shall not apply to employees who have special or unique knowledge or skills that are of special value in the operation of the Authority business.

G-D. During the term of this MOU and expiring on December 15, 2017, the Authority agrees that it will not lay off employees in this unit until it spends at least 12.5% of the General Fund Contingency Reserve Fund.

Section 2. Order of Layoff

- A. When a reduction in the workforce is necessary, employees in impacted positions shall be considered for layoff in the following order:
1. Part-time employees in impacted classifications shall be laid off first, unless they were previously regular, full-time employees in those classifications and transitioned to part-time status without a break in service. Such employees must be able and willing to return to full-time employment in the same classification or occupational series in order to have seniority rights considerations, on a pro rata basis, for purposes of layoff; otherwise, they shall be laid off next, if necessary, according to seniority; and
 2. Full-time regular employees shall be the next category to be laid off, if necessary. Employees in regular positions and those in part-time positions who meet the criteria in Section 2.A.1. of this Article shall be laid off in an order based on consideration of:
 - a. Employment status
 - b. Past performance
 - c. Length of continuous service

- B. Layoffs shall be made by class, except that:
1. Where a class has a dual or multiple concept, the Human Resources Director may authorize a layoff by specialty within the class.
 2. Where appropriate, the Human Resources Director may authorize a layoff by division or smaller unit.
 3. Within a class, employees shall be subject to layoff in the following order:

<u>Employment Status</u>	<u>Layoff Order</u>
First - Temporary Promotion	Determined by Authority
Second - New Probationary	Determined by Authority
Third - Regular/Promotional	Determined by Authority

After all new probationary employees and employees on temporary promotion have been removed from a class within a layoff unit, the employee with the lowest number of layoff points shall be subject to layoff first. When two (2) or more employees have the same number of layoff points, the Authority shall determine the order of layoff for these employees.

- C. The OCEA may designate employees who are regular OCEA officers or grievance representatives to receive special seniority for purposes of layoff. The number of employees so designated shall not exceed two (2) percent of the employees in each respective Unit covered by this Agreement. Employees so designated shall receive two hundred sixty (260) layoff points in addition to layoff points computed pursuant to Section 3. of this Article.
- D. If a layoff is going to be made in a class from which an employee has left through a temporary promotion, the employee on temporary promotion shall be returned to his/her former class and shall be subject to layoff in accordance with this procedure.

Section 3. Computation of Layoff Points

- A. Seniority Points
1. The equivalent of each year of full-time continuous service shall earn two hundred sixty (260) seniority points. The equivalent of each regularly scheduled full day of continuous service of a partial year shall earn one (1) seniority point.
- B. Demerit Points
1. For each point below three hundred (300) on the last "Performance Evaluation Report" for the class currently held by the employee, the employee shall earn five (5) demerit points. Demerit points shall only be

used in the currently held class of an employee. Demerit points shall not be applied to an employee seeking to enter a lower class through voluntary reduction in lieu of layoff.

C. Layoff Points

1. Layoff points shall be computed by subtracting demerit points, if any, from seniority points.

Section 4. Notification of Employees

- A. Written notice of layoff shall be given to an employee or sent by mail to the last known mailing address at least fourteen (14) calendar days prior to the effective date of the layoff. Notices of layoff shall be served on employees personally at work, whenever practicable.
- B. It is the intent of the parties that the number of layoff notices initially issued shall be limited to the number of positions by which the workforce is intended to be reduced. Additional notices shall be issued as other employees become subject to layoff as a result of employees exercising reduction rights under Section 5. of this Article.
- C. The notice of layoff shall include (1) the reason for the layoff, (2) the proposed effective date of the layoff, (3) the employee's hire date, (4) the employee's layoff points, (5) a list of classes in the employee's occupational series within the layoff unit, (6) the employee's rights under Sections 5. and 6. of this Article, and (7) the right of the employee to advise the Authority of any objection to the content of the layoff notice prior to the proposed effective date of the layoff.

Section 5. Voluntary Reduction in Lieu of Layoff

- A. A full-time promotional probationary or full-time regular employee who is subject to layoff may request a reduction to a lower class within the same occupational series in the layoff unit, provided the employee possesses the minimum qualifications for the class and passes any required performance tests. The reduction shall be made if there is a vacant position in the layoff unit or an incumbent in the lower class in the layoff unit has fewer layoff points than the employee requesting the reduction. In the latter case, the incumbent in the lower class with the fewest number of layoff points shall be subject to layoff. Except as provided in Section 2.A.2. of this Article, part-time employees subject to layoff may not request that a voluntary reduction in lieu of layoff be considered if there is no vacant position available.
- B. 1. Employees who receive notice of layoff by personal service at work shall have until the end of their third regularly scheduled day of work, following actual receipt of the notice, to notify the Authority in writing of their intent to exercise rights under this Section. Employees whose third regularly scheduled day of work is more than three (3) calendar days after receipt of the notice shall have three (3) calendar days, excluding weekends and holidays, to notify the Authority of their intent to exercise rights under this

Section; and where such notification is not in writing, the employee shall confirm the notification in writing as soon as practicable.

2. Employees who receive notice other than by personal service at work shall have five (5) calendar days, excluding weekends and holidays, following the date the person is personally served, or if service is made by mail, five (5) calendar days, excluding weekends and holidays, following date of proof of service by mail, to notify the Authority of their intent to exercise rights under this Section. Where such notification is not in writing, the employee shall confirm the notification in writing as soon as practicable.
3. Failure by an employee to respond to the Authority pursuant to this Section shall result in a rebuttable presumption that the employee does not intend to exercise any right of reduction to a lower class and that the employee's hire date stated in the layoff notice was correct.
4. No employee action or inaction referred to in this Section shall be considered a waiver of an employee's right to file grievances concerning any matter within the scope of the grievance procedure.

Section 6. Voluntary Reduction From Classes Designated as Vulnerable to Layoff

- A. An employee in a class designated by the Authority as vulnerable to layoff may request a voluntary reduction to any class, provided the employee possesses the minimum qualifications and has passed any required performance tests for the class to which reduction is requested. Such employees shall be eligible for consideration for available positions in the class to which reduction is requested. If appointed, such an employee shall be placed on AUTHORITY REINSTATEMENT LISTS pursuant to Section 7.A.3. of this Article.

Section 7. Reinstatement Lists

- A. The following persons shall be placed on AUTHORITY REINSTATEMENT LISTS as provided in Sections 7.A.1., 7.A.2., and 7.A.3. of this Article in the order of their respective layoff points with the person having the largest number of layoff points listed first:
 1. Persons Laid Off—The names of persons laid off shall be placed on a REINSTATEMENT LIST for each class in the occupational series at or below the level of the class from which laid off.
 2. Persons Who Exercise Their Rights Under Section 5. of this Article—The names of persons who exercise their rights under Section 5. of this Article shall be placed on a REINSTATEMENT LIST for each class in the occupational series at or below the level of the class from which reduced, excluding any classes at or below the level of the class currently held.
 3. Persons Who Voluntarily Reduce Under the Provisions of Section 6. of this Article—The names of persons who were voluntarily reduced under

the provisions of Section 6. of this Article shall be placed on a REINSTATEMENT LIST for the class from which reduced and for each class in the occupational series below the level of the class from which they voluntarily reduced, provided they request to be placed on such Lists.

4. Positions to be filled shall be offered first to persons on the REINSTATEMENT LIST for that class, starting at the top of the List. If reinstatement is offered to a class other than that from which the person was laid off or reduced, such person must first meet the minimum qualifications and pass any required performance tests for that class.
- B. The names of persons laid off shall be placed on the PREFERRED ELIGIBLE LIST for the class from which they were laid off and for any class from which they previously voluntarily reduced pursuant to Section 5. of this Article in the order of their layoff points going from highest to lowest. Eligibles certified from PREFERRED ELIGIBLE LISTS shall be considered prior to eligibles certified from lower ranking Eligible Lists. Appointments shall be made only from eligibles certified pursuant to Section 7.B. of this Article. Appointments need not be made in the order of layoff points; any eligible certified in accordance with this provision may be appointed to a vacant position.
- C. Names of persons placed on the REINSTATEMENT LIST and the PREFERRED ELIGIBLE LIST shall remain on the Lists for two (2) years, except that:
1. A person who, on two (2) separate occasions, rejects or fails to respond within five (5) calendar days to offers of employment in a particular class shall be removed from the Lists for that class.
 2. A person who, on three (3) separate occasions, declines referral for interviews in a particular class shall be removed from the Lists for that class.
 3. An employee who, upon retirement, signs a statement electing not to be eligible for reinstatement under this provision shall have his/her name excluded from the aforementioned Lists.
- D. REINSTATEMENT LISTS shall be available to the OCEA and affected employees upon reasonable request.

Section 8. Status on Reinstatement

- A. An employee who has been laid off under the provisions of this Article and is subsequently reinstated in a regular or limited-term position within a two (2) year period from the date of his/her layoff shall receive the following considerations and benefits:
1. All sick leave credited to the employee's account when laid off shall be restored.
 2. All seniority points held upon layoff shall be restored.

3. All prior service shall be credited for the purpose of determining sick leave and vacation accrual rates and service awards.
 4. The employee shall be placed in the salary range as if the employee had been on Leave of Absence Without Pay.
 5. The probationary status of the employee shall be as if the employee had been on a Leave of Absence Without Pay, except that a probation period shall be established as determined by Article III, Section 3.B., if reinstatement is in a higher class or an occupational series different from that employed in at the time of layoff.
- B. An employee who has voluntarily reduced under the provisions of this Article and is subsequently reinstated in a regular or limited-term position in the class from which the employee reduced within a two (2) year period from the date of reduction shall receive the following considerations:
1. The employee shall be placed in the salary range either as if the employee had been on a Leave of Absence Without Pay or at the step on the salary range closest to, but that does not exceed, the employee's salary in the lower class, whichever is higher.
 2. The merit increase eligibility date shall be reestablished as determined by the Human Resources Director.
 3. The probationary status of the employee shall be as if the employee has been on a Leave of Absence.
- C. An employee who is voluntarily reduced under the provisions of this Article and is subsequently reinstated within a two (2) year period from the date of reduction in a class higher than the one from which the employee was reduced shall receive the following considerations:
1. The employee shall be deemed returned to the class from which the employee had been reduced as provided in Section 8.B. of this Article.
 2. The employee's salary, probation period, and merit increase eligibility date shall be determined by treating the employee as though he/she is being promoted from such class.

ARTICLE XI

ON-THE-JOB INJURIES, WORKERS' COMPENSATION

Section 1. Medical Treatment

- A. Whenever an employee sustains an injury or disability arising out of and in the course of Authority employment and requires medical treatment, the employee shall obtain treatment pursuant to the appropriate California Labor Code sections.

Section 2. Disability Payments and Leave

- A. ~~If an employee is injured and files a workers' compensation claim, his/her claim will be assessed to be determined if it will be accepted by the Authority. While it is being assessed (i.e., prior to a determination being made as to whether it will be accepted) if the employee is unable to work, he/she has the right to use accrued sick leave, paid annual leave (PAL), compensatory time off and/or vacation, in that order. If the claim is accepted, workers' compensation supplement pay (i.e., the difference between temporary disability benefits and eighty percent (80%) of the employees' regular wages not inclusive of overtime unless part of the employee's regularly scheduled hours) shall begin the same day as the workers' compensation temporary disability benefits. Prior to qualifying for workers' compensation temporary disability benefits, an injured employee may, at his/her option, use any accrued sick leave, compensatory time, and/or vacation, in that order. If an employee is then receiving temporary disability benefits and supplement pay, he/she may use any accrued leaves to receive the difference between 80% of this pay (received through temporary disability payments and supplemental pay) and 100% of his/her pay. Under no circumstances may an employee receive more than 100% of his/her pay after filing a workers' compensation claim. The maximum amount of time supplemental pay will be provided is one year. After one year, if the employee remains off of work on workers' compensation leave and still has leave accruals, he/she will be permitted to use those accruals to make up the difference between temporary disability benefits (if still eligible) and 100% of his/her regular compensation.~~
- B. ~~While an employee receives workers' compensation supplement pay, no deductions nor payments shall be made from any sick leave, compensatory time, or vacation time previously accumulated by the employee. The employee shall not accrue sick leave or vacation credit during the period in which the employee receives workers' compensation temporary disability benefits.~~
- C. The merit increase eligibility date and probation period of any employee who receives workers' compensation benefits shall be extended by the length of time the employee receives such benefits, except that the first fifteen (15) consecutive calendar days from the date of the injury shall be considered

Authority service for merit increase eligibility and completion of the probation period.

- D. When an employee is no longer entitled to receive workers' compensation supplement pay, the employee may, at his/her option, use sick leave, compensatory time, and vacation, in that order, if the employee is compelled to be absent from duty as set forth in Section 2.A. of this Article.
- E. Time during which an employee receives workers' compensation temporary disability benefits shall be counted toward the computation of Authority seniority and determination of sick leave and vacation earning rates.

Section 3. Exposure to Contagious Diseases

- A. Whenever an employee is compelled by direction of an Authority-designated physician to be absent from duty due to on-the-job exposure to a contagious disease, the employee shall receive regular compensation for the period absent from duty.

Section 4. Injury to Volunteer Reserve Firefighter

- A. Whenever an employee who is also a Volunteer Reserve Firefighter is compelled to be absent from his/her regular employment due to injury arising out of and in the course of his/her volunteer service as a Volunteer Reserve Firefighter, such employee shall receive temporary disability and/or permanent disability as prescribed by the California Labor Code relative to workers' compensation benefits.

ARTICLE XII

SAFETY

Section 1. General Provisions

- A. Recognizing that a safe work environment is of substantial benefit to both the Authority and employees, the Authority and OCEA mutually agree to the following safety program:
1. No employee shall be required to work under conditions dangerous to the employee's health or safety.
 2. The Authority shall make every reasonable effort to provide and maintain a safe place of employment. The OCEA shall urge all employees to perform their work in a safe manner. Employees shall be alert to unsafe practices, equipment, and conditions and shall report any such unsafe practices, equipment, or conditions to their immediate supervisors. Employees shall follow safe practices and shall obey reasonable safety rules during the hours of their employment.
 3. Any employee who either does not receive an answer to a safety-related question from his/her supervisor within three (3) days or receives an answer that the employee deems unsatisfactory may directly contact the designated Authority Safety Officer.
 4. Any employee who is directed to perform a task that the employee, in good faith, feels is unsafe may request an immediate investigation from the designated Authority Safety Officer. During the period that the Safety Officer is conducting an investigation, the employee shall be assigned to other work at no loss of earnings. If the designated Authority Safety Officer concludes the task complained of is safe, the employee shall perform the work as instructed.
 5. The Authority shall furnish all equipment that is necessary for employees to perform their job in a safe manner.
 6. Wherever practicable, the Authority shall provide the necessary first aid kits and first aid training at each location.

Section 2. Safety Inspection

- A. During inspection of Authority facilities conducted by the appropriate state agency for the purpose of determining compliance with the California OSHA requirements, an OCEA-designated employee shall be allowed to accompany the inspector while the inspector is on site. The employee so designated shall suffer no loss of pay when this function is performed during the employee's regularly scheduled work hours.

Section 3. Safety Representative

- A. One (1) primary safety representative and one (1) alternate safety representative of the Association who serves on the Authority's Safety & Occupational Health Committee may be selected by OCEA to meet at least once a month, upon request, with the designated Authority Safety Officer.
- B. A safety representative who has received a safety or health complaint shall be given reasonable time off without loss of pay to gather appropriate information on such complaint, provided:
 - 1. The safety representative obtains permission from the immediate supervisor prior to performing such work and reports back to the supervisor when the work is completed.
 - 2. The safety representative shall not be allowed to leave the worksite if, in the opinion of the immediate supervisor, it shall unduly interfere with the work of the unit. However, the Authority shall make every attempt to grant such time off as soon as it is feasible to do so.
- C. When an authorized safety representative must go into another section or unit to gather information regarding a safety or health complaint, the safety representative shall be permitted to do so, provided that:
 - 1. The safety representative checks in and checks out with the supervisor of the unit; and
 - 2. The safety representative does not unduly interfere with the work of the unit.

Section 4. Resolution of Safety or Health Complaints

- A. If a safety or health complaint is not satisfactorily resolved, the safety representative may request to meet with the designated Authority Safety Officer to resolve the complaint. If the complaint is not resolved, a grievance may be filed.

Section 5. Abatement of Violations

- A. In any instance in which the Authority is cited for a violation of California OSHA, the Authority shall abate the cited hazard to health or safety within the abatement period required.

ARTICLE XIII

INSURANCE

Section 1. CalPERS Health Care

- A. The Authority shall continue to maintain its contract with the California Public Employees Retirement System (CalPERS) for employees' health care coverage.
- B. Except as provided in Sections 1.C.1. and 1.C.2. of this Article, the Authority shall contribute towards the payment of health care premiums, under the CalPERS Health Benefits Plan, on behalf of each eligible active employee and each eligible retiree, an equal contribution as set forth in California Government Code 22892. That amount is equal to the CalPERS statutory minimum which is \$122 for 2015 and a yet undetermined amount for years following 2015.
- C. The Authority shall continue to maintain its Section 125 Cafeteria Plan for active eligible employees and pay the following amounts for employees' health care coverage and other benefits:
1. Except as modified in Section 1.D. of this Article, each full-time (regular, limited-term, or probationary) employee shall receive the dollar value of one hundred (100) percent of the employee's health plan premium or seventy-five (75) percent of the total health plan premium selected by the employee, whichever is greater. These amounts are inclusive of the CalPERS statutory minimum amount. That amount shall include the contribution towards the employee's Cafeteria Plan as set forth in California Government Code Section 22892. That amount is equal to the CalPERS statutory minimum which is \$122 for 2015 and a yet undetermined amount for years following 2015. The employee may elect to contribute the entire value to his/her health care premium or allocate a portion of the value to other benefits offered under the Cafeteria Plan. If the employee elects to allocate part of the value to other benefits, any unpaid balance of the employee's health care premium shall be deducted from the employee's paycheck.
 2. Except as modified in Section 1.D. of this Article, each part-time (regular, limited-term, or probationary) employee shall receive the dollar value of fifty (50) percent of the employee's health plan premium or thirty-seven and ~~one half~~^{five-tenths} (37.5) percent of the total health plan premium selected by the employee, whichever is greater. These amounts are inclusive of the CalPERS statutory minimum amount. That amount shall include the contribution towards the employee's Cafeteria Plan as set forth in California Government Code Section 22892, provided the employee's normal workweek consists of at least twenty (20) hours. Health care coverage and other benefits provided as part of the Cafeteria Plan shall be terminated for any employee whose normal workweek is

reduced to less than twenty (20) hours. The employee may elect to contribute the entire value to his/her health care premium or allocate a portion of the value to other benefits offered under the Cafeteria Plan. If the employee elects to allocate part of the value to other benefits, any unpaid balance of the employee's health care premium shall be deducted from the employee's paycheck.

- D. For employees who are on approved Family Leave pursuant to Article V, Section 11., and applicable law, the Authority shall continue to pay health insurance premiums as provided in Sections 1.C.1. and 1.C.2. of this Article, to the extent required by applicable law.
- E. Upon showing sufficient proof of alternate health care coverage, other than an Authority funded or administered plan, such as a certificate of coverage, a full-time (regular, limited-term, or probationary) employee shall be entitled to a biweekly credit equivalent to fifty (50) percent of the cost of the highest employee only PPO plan offered to full-time employees in this bargaining unit. The biweekly amount will be computed and applied in accordance with the following steps:

Step 1: Identify the highest employee-only PPO Premium offered by the Authority to unit employees living in the Orange County area.

Step 2: Multiply the amount identified in Step 1 by ~~one half~~ five tenths (.5) to determine the 50% amount.

Step 3: Divide the amount determined in Step 2 by two to establish the amount to be applied on a biweekly basis. In the months of the year in which there are three pay days, the employees will be not be paid on the third pay day..

Step 4: Apply the amount in step 3 to the first full pay period in subsequent calendar years. ~~For calendar year 2015, -2014,~~ the amount in Step 3 will be applied in Pay Period # ~~313~~.

This credit will be applied to the employee's Cafeteria Plan, in lieu of the amount provided in Section 1.C.1. of this Article. This credit may be applied towards benefits offered under the Cafeteria Plan, including accidental death and dismemberment insurance or miscellaneous pay. The amount of credit will be reviewed annually and will be adjusted effective the first full pay period in January of each year. The adjustment will be based on the cost of the highest employee only PPO plan in effect January 1 of that year, offered to full-time employees in this bargaining unit ~~(05/26/11)~~.

- F. Upon showing sufficient proof of alternate health care coverage such as a certificate of coverage, part-time (regular, limited-term, or probationary) employee shall be entitled to a biweekly credit equivalent to twenty-five (25) percent of the cost of the highest employee only PPO plan offered to full-time employees in this bargaining unit. The biweekly amount will be computed and applied in accordance with the following steps:

Step 1: Identify the highest employee-only PPO Premium offered by the Authority to unit employees living in the Orange County area.

Step 2: Multiply the amount identified in Step 1 by twenty-five hundredths (.25) to determine the 25% amount.

Step 3: Divide the amount determined in Step 2 by two to establish the amount to be applied on a biweekly basis. In the months of the year in which there are three pay days, the employees will be not be paid on the third pay day.

Step 4: Apply the amount in step 3 to the first full pay period in subsequent calendar years. For calendar year ~~2015~~2014, the amount in Step 3 will be applied in Pay Period #~~343~~.

This credit will be applied to his/her Cafeteria Plan, in lieu of the amount provided in Section 1.C.2. of this Article. This credit may be applied towards benefits offered under the Cafeteria Plan, including accidental death and dismemberment insurance or miscellaneous pay. The amount of credit will be reviewed annually and will be adjusted effective the first full pay period in January of each year. The adjustment will be based on the cost of the highest employee only PPO plan in effect January 1 of that year, offered to full-time employees in this bargaining unit ~~(05/26/11)~~.

Section 2. Health Plan Enrollment

- A. Newly hired eligible employees must enroll for coverage in health plans within the first 60 days of employment. If the employee fails to enroll within the first 60 days of employment, he/she must either wait until the next open enrollment period or ninety (90) days after submission of a late enrollment form. Health plan coverage shall become effective the first day of the month following submission to the Authority of the Health Benefit Enrollment form.
- B. Employees, who are terminated due to disciplinary action or reduction in force or who voluntarily resign from employment, may continue their health care coverage until the end of the month following the month in which the employee is terminated. However, the Authority's contribution towards the employee's health care coverage the month following termination shall be in accordance with California Government Code Section 22892.
- C. An employee shall be given the opportunity to enroll in a medical plan or to change medical plans on the effective date of his/her retirement.
- D. In all health plans, the Authority shall provide a minimum one (1) month period, each fiscal year, for open enrollment of employees, employees' dependents, and retirees.
- E. Two (2) full-time employees married to each other who elect coverage in the same health plan shall be enrolled as employee and dependent. Such employees shall have the full cost of coverage for employee and dependents paid by the Authority. Employees shall not, however, be enrolled simultaneously in an Authority health care plan and a health plan

administered by the Orange County Professional Firefighters Association, Local 3631, as either an employee or dependent.

Section 3. Other Insurance Coverage

- A. OCEA shall continue to maintain a trust fund, approved by the State of California, for the sole purpose of providing disability and other group insurance coverages for employees.
- B. The Authority shall, on a biweekly basis, forward thirty (30) cents per hour for all regular hours paid for all employees for deposit in said State-approved trust fund. The Authority shall forward, at least monthly, an amount equal to thirty (30) cents for each regularly scheduled hour in each full pay period of unpaid leave that meets the requirements of Family Leave pursuant to Article V, Section 11., and applicable law.
- C. Insurance coverages provided through the trust fund with monies contributed by the Authority shall be made available by the OCEA to all employees on an equal basis regardless of membership status.
- D. The OCEA shall indemnify and hold the Authority harmless from any claims or legal actions brought under this Section.
- E. Not more than once each year, the OCEA—upon request—shall provide the Authority with a copy of any report provided to the Insurance Commission and shall provide a statement of the participation and plan cost for the past year for each program of the trust fund. The OCEA also agrees to provide the Authority with the specifics of any benefit plan changes as they occur.

Section 4. Premium Only Plan

- A. The Authority shall administer a Premium Only Plan (POP) that will allow an employee to pay for health insurance premiums as permitted in the Internal Revenue Code. Under the POP, an employee's gross taxable salary shall be reduced by the amount of his/her share of the premium costs of Authority-provided health insurance coverage.

Section 5. Retiree Medical Insurance Grant ("Defined Benefit Plan")

- A. Retiree Medical Insurance Grant
 - 1. The Authority shall administer a Retiree Medical Insurance Grant plan, which will also be referred to herein as a "defined benefit plan," for employees who have retired or terminated from Authority service and who meet the eligibility requirements as set forth in Section 5.B. of this Article. During the term of this MOU, the parties agree that either side may reopen labor negotiations on the topic of retiree medical insurance if being discussed with Local 3631 and the COA.
 - 2. Upon paid Authority retirement, an eligible retiree who has enrolled in a "qualified health plan" (as defined in the Authority Retiree Medical Plan

effective January 1, 1997) or in Medicare as stated in the Retiree Medical Plan and required by the "qualified health plan," shall receive a Retiree Medical Insurance Grant.

3. An eligible former employee who terminated from Authority service prior to retirement, who is 55 years of age or older, and who is enrolled in a recognized health plan or Medicare as stated in the Retiree Medical Plan and required by the "recognized health plan," shall receive a Retiree Medical Insurance Grant.
4. 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 Sections 5.A.4.a., 5.A.4.b., and 5.A.4.c. of this Article.

a. Effective January 1, 2014~~07~~, the Retiree Medical Insurance Grant shall be an amount based on twenty two dollars and seven cents~~sixteen dollars and ninety-three cents~~ (\$22.07~~16.93~~) per month for each full year of service to a maximum of five hundred and fifty one dollars and seventy five cents~~four hundred twenty-three dollars and twenty-five cents~~ (\$551.75~~423.25~~) 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 (5) percent per year. In no case shall the Retiree Medical Insurance Grant exceed the actual cost of the health insurance and/or Medicare premiums.

a.b. All Authority employees who retire from the Authority and 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 he/she terminate coverage or fail to make necessary payments, the retiree and dependents shall forfeit any right to a Retiree Medical Insurance Grant.

a.c. All former employees who did not retire from the Authority and who eligible for a Retiree Medical Insurance Grant shall not receive the Grant until such employees reach age 55 and request the Authority to commence distribution of the Grant no later than 90 days from the former employee's 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.

B. Eligibility Requirements for Retiree Medical Insurance Grant

1. Retiree 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 55 and enrolled in a recognized health plan.
2. Only employees hired before January 1, 2007, shall be eligible to participate in the Retiree Medical Insurance Grant Plan.
3. Retiree or eligible former employee must have retired or terminated employment with the Authority with at least one (1) year of service (2080 hours), except as provided in Section 5.B.3.a., b., and c. of this Article.
 - a. 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.
 - b. 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.
 - c. A separated employee who is less than 55 years of age or is under normal retirement 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.
4. 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.
5. Deferred Retirement
 - a. An employee who, upon separation from Authority ServiceSERVICE, is eligible for paid retirement and elects deferred retirement must defer participation in the Retiree Medical Insurance Grant until such time as he/she becomes 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 ServiceSERVICE.

b. An employee with one (1) year of ~~Service~~SERVICE (2080 hours), who is not eligible for paid retirement at the time he/she separates from Authority service and elects deferred retirement status, shall not become eligible for participation in the Retiree Medical Insurance Grant until he/she becomes 55 years of age.

6. For purposes of this section, a full year of ~~Service~~SERVICE shall mean those regular hours of ~~Service~~SERVICE the employee worked as a regular, limited-term, and/or probationary employee. Two thousand eighty (2,080) regular hours, exclusive of overtime, shall equal one (1) full year of ~~Service~~SERVICE.

~~C. Employer Contribution~~

~~1. The Authority will contribute one million two hundred thousand dollars (\$1.2 million) each year, or at such earlier date as determined by the Board of Directors, during the term of this Agreement. OCFA's total contribution shall not exceed six million dollars (\$6 million). This annual contribution is made on behalf of all OCFA participating employees and not just those the ones in this bargaining unit.~~

D. Employee Contribution

1. ~~Effective January 2007 (Pay Period #2), a~~All regular, limited-term, and probationary employees ~~hired before January 1, 2007 covered by this MOU~~ shall contribute four (4%) percent of their base salary, exclusive of overtime and ~~specialty premium~~ pay, through payroll deduction to the Authority to be applied to the Plan.

E. Survivor Benefits

1. A surviving dependent who qualifies for a monthly retirement allowance shall be eligible for fifty (50) percent 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 5.E.1. of this Article or his/her own Retiree Medical Insurance Grant, whichever is greater. Such retiree shall not be eligible for both Retiree Medical Insurance Grants.

Section 6. Defined Contribution Plan for Retiree Medical Benefits

A. The Authority will provide only to regular, limited-term, and probationary employees hired on or after January 1, 2007, a "defined contribution plan."

B. All regular, limited-term, and probationary employees hired on or after January 1, 2007, will be required to contribute four (4) percent of base salary,

exclusive of overtime and specialty premium pay, to the Plan. Employees will not be permitted to contribute more than four (4) percent of base salary towards the Plan.

- C. Employees hired before January 1, 2007, shall not be eligible to participate in the Plan. Eligibility for plan participation is based on the employee's most recent date of hire with the Authority.

Section 7. Physical Examination

- A. Except for General Unit employees, the Authority shall provide voluntary annual physical examinations by an Authority designated physician at no cost to the employee.

ARTICLE XIV

UNIFORMS, PROPERTY, SERVICES, AND EQUIPMENT

Section 1. Uniforms

- A. The Authority shall continue the current system of providing and/or laundering uniforms for all employees who are currently provided uniforms.
- B. The Authority shall continue to provide appropriate boots and safety footwear for all employees who are currently provided boots and safety footwear.
- C. This benefit may be expanded to other classes within management's discretion based on operational needs.

ARTICLE XV

RETIREMENT

Section 1. Eligibility

Eligible employees in the Unit are included in the Orange County Employees Retirement System (OCERS) as determined by their date of entry into eligible service.

Section 2. Employer's Contribution

For employees hired before January 1, 2013 and for employees hired on or After January 1, 2013 who are considered "Legacy Members" of OCERS within the Meaning of the Public Employees' Pension Reform Act of 2013 (PEPRA): The Authority will pay the amount of the employee's share of retirement contribution that is not paid by the employee per Section 5 of this Article pursuant to Government code 31581.2.

Section 3. Final Compensation For Legacy Members of OCERS

"Final Compensation" for Legacy Members of OCERS, in accordance with Government Code section 31462(a) "Final compensation" means the average annual compensation earnable by a member during any three years elected by a member at or before the time he or she files an application for retirement, or, if he or she fails to elect, during the three years immediately preceding his or her retirement. If a member has less than three years of service, his or her final compensation shall be determined by dividing his or her total compensation by the number of months of service credited to him or her and multiplying by 12.

Section 1. Contribution Rates and Benefit Levels

A. Employees Hired by Authority Prior to July 1, 2011 (05/26/11)

1. The Authority will maintain the retirement formula of 2.7% at Age 55 in accordance with the following requirements:

a. *Upon its implementation, the retirement formula will apply to all current active employees hired prior to July 1, 2011 for all years of service as set forth in California Government Code Section 31676.19 with the measuring period set as either the highest one year or the average of the three highest years, whichever was applied to the individual employee under the prior formula (05/26/11).*

b. *The employees will continue to assume the total cost of the benefit, which includes the Employer's Contribution Rate and*

~~Employee's Contribution Rate, calculated to a total of six (6) percent of the employee's Compensation Earnable. The Authority shall make a deduction from the employee's Compensation Earnable to offset the cost to the Authority of implementing the benefit (05/26/11).~~

~~c. No employee shall receive a lesser final retirement calculation with 2.7% at Age 55 retirement formula than what he/she would have received with the prior formula.~~

~~d. Effective January 2011 (Pay Period #3), the Authority shall increase the deduction to seven and twenty-five hundredths (7.25) percent of the Employee's Compensation Earnable to offset the retirement cost to the Authority (05/26/11).~~

~~e. Effective July 2011 (Pay Period #15) the Authority will increase the deduction to eight and five tenths (8.5) percent of the employee's Compensation Earnable to offset the retirement cost to the Authority (05/26/11).~~

~~f. Effective February 2012 (Pay Period #5) the Authority will increase the deduction to nine (9) percent of the employee's Compensation Earnable to offset the retirement cost to the Authority. This deduction shall continue during the employee's employment period with the Authority (05/26/11).~~

Section 4. Cost of Living Adjustments

2.1. Members' normal cost-of-living contributions shall be adjusted subsequent to and in accordance with actuarial recommendations adopted by the Board of Retirement and the Authority Board.

~~B. Employees Hired by Authority On or After July 1, 2011 (05/26/11)~~

~~1. Effective July 1, 2011, the Authority shall implement the 2 percent at fifty-five (2% at 55) retirement formula for active employees who are hired on or after July 1, 2011 and become members of this bargaining unit, for all years of service, as specified under California Government Code Section 31676.16, as follows (05/26/11):~~

~~a. Effective upon the employee becoming a member of the bargaining unit, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to nine (9) percent to offset the cost to the Authority for this retirement benefit. This deduction shall continue during the employee's employment period with the Authority (05/26/11).~~

Section 5. Retirement Formulas And Employee Contributions

1. Employees Hired Prior to July 1, 2011

a. Retirement Formula: These employees receive the 2.7%@55 formula in accordance with Government code section 31676.19.

b. Employee Contribution: Effective on the first day of the first full pay period in March 2015, employees in the bargaining unit shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).

Effective on the first day of the first full pay period in March, 2016, employees in the bargaining unit shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).

Effective on the first day of the first full pay period in March 2017, employees in the bargaining unit shall pay up to sixteen and one half percent (16.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than sixteen and one half percent (16.5%).

At any time beyond the first day of the first full pay period in March 2017, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions

2. Employees Hired After July 1, 2011 Who Are Legacy Member under OCERS

a. Retirement Formula: These employees receive the 2%@55 formula in accordance with Government code section 31676.16.

b. Employee Contribution: Effective on the first day of the first full pay period in March 2015, employees in the bargaining unit shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).

Effective on the first day of the first full pay period in March 2016, employees in the bargaining unit shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).

Effective on the first day of the first full pay period in March 2017, employees in the bargaining unit shall pay up to sixteen and one half percent (16.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than sixteen and one half percent (16.5%).

At any time beyond the first day of the first full pay period in March, 2017, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions

3. For Employees Hired on or After January 1, 2013 who are considered “New Members” Within the Meaning of PEPRA.

a. The retirement formula will be the “2.5% at 67” retirement formula per Government Code section 7522.20(a), utilizing the average three highest years of compensation per Government Code section 7522.32. Pensionable compensation and other pension related conditions are governed by the provisions of PEPRA and the OCERS Board of Retirement.

b. Employee contribution – Such employees shall pay one half the normal cost as defined by the PEPRA.

Section 2. Employer’s Contribution

A. Until all of the employees in the unit are paying 100% of their member contribution as described in Section 1 above, tThe Authority shall continue to pay one hundred (100) percent of the employee’s remaining retirement contribution (i.e., the amount between the employee’s agreed upon amount and their total member contribution) pursuant to Government Code 31581.2 independent of the retirement formula benefit set forth herein.

ARTICLE XVI

DEFERRED COMPENSATION

An employee in a regular or limited-term position may, at his/her request, participate in the Authority's Deferred Compensation Plan.

ARTICLE XVII

OCEA RIGHTS

Section 1. Payroll Deductions

- A. Membership dues of OCEA members and insurance premiums for such OCEA-sponsored insurance programs shall be deducted by the Authority from the pay checks/direct deposits/warrants of such members. The Authority shall transmit the dues and insurance premiums so deducted to OCEA on a monthly basis.
- B. OCEA shall notify the Authority, in writing, as to the amount of dues uniformly required of all members of OCEA and also the amount of insurance premiums required of employees who choose to participate in such programs.

Section 2. Employee Information Listing

- A. Once each quarter, during the term of this MOU Memorandum—of Understanding, the Human Resources Director shall provide OCEA with a listing of all OCEA-represented employees. Such listing shall include employee name, job classification, section, base hourly rate, hire date, and step. The Authority shall also provide OCEA with any other information needed pursuant to Article XIII, Section 3. OCEA agrees to pay all costs necessary to provide such lists.

Section 3. Use of Bulletin Boards

- A. Space shall be made available to OCEA on Authority bulletin boards, provided such use does not interfere with the needs of the Authority, and material posted is not derogatory to the Authority, Authority employees, or other employee organizations. Material which interferes with the needs of the Authority or is derogatory may be removed by the Authority. Notices shall be dated and signed by the authorized representatives of OCEA responsible for their issuance.

Section 4. Use of Authority Facilities

- A. OCEA may, with the approval of the Human Resources Director, hold meetings of their members on Authority property during non-working hours, provided request is made to the Human Resources Director as to the specific location and dates of the meeting prior to such meeting.

ARTICLE XVIII

SEPARABILITY

In the event any provisions of this ~~MOU Memorandum of Understanding~~ are declared invalid by any court of competent jurisdiction, such decision shall not invalidate the entire ~~MOU Memorandum of Understanding~~, it being the express intent of the ~~parties Board of Directors and OCEA~~ that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE XIX

MAINTENANCE OF MEMBERSHIP

Employees in OCEA-represented Units who have authorized deductions on the effective date of this Agreement or at any time subsequent to the effective date of this Agreement shall continue to have such dues deductions made by the Authority during the term of this Agreement, provided that employees in such Units may terminate such Association dues by submitting a completed and signed payroll deduction cancellation form to the Finance ~~Managerial Services Manager~~ during the period of September 1, 2017~~4~~, through September 30, 2017~~4~~.

ARTICLE XX

RECOGNITION

Pursuant to the Employee Relations Resolution of the Orange County Fire Authority and applicable State law, the Orange County Employees Association is the exclusively recognized employee organization for the General Unit and Supervisory Management Unit for classes in effect during the term of this Agreement. Said classes are listed in Appendix A.

ARTICLE XXI

DEPENDENT CARE ASSISTANCE PROGRAM

The Authority shall administer a Dependent Care Assistance Program that allows employees to take advantage of a salary reduction program to pay for dependent care as permitted in the Internal Revenue Code.

POSITION CLASSIFICATION

Section 1. Establishment of New Classes

- A. The Authority shall provide the OCEA an information copy of the new class specification for any proposed class relevant to OCEA represented Units. The Authority agrees to meet and confer with the OCEA in an attempt to reach agreement on the salary range and probation period for any such proposed class before submitting the class to the Board for adoption.

Section 2. Requesting Classification Studies

- A. Employees and the OCEA may request a classification study be conducted to address problems or studies involving small numbers of employees where the issue is a question of allocating a position to the appropriate class. Such requests may be submitted to the Human Resources Director. The Human Resources Director shall respond to such requests as soon as practicable. Appropriate responses include, but are not limited to, denial of a request or a recommendation that a classification study be conducted. Classification Maintenance Reviews, as defined in Section 2.B. of this Article, are excluded from this provision.
- B. Classification Maintenance Review is defined as: 1) any study involving all positions in a class or series, except for a class or series with five (5) or fewer positions; 2) any study involving all positions in an organizational unit concept, or where a minimum qualification salary relationship is at issue.

ARTICLE XXIII

JOINT LABOR-MANAGEMENT COMMITTEE

For the ~~term~~life of this Agreement, the Authority and the OCEA (the Parties) agree to establish a standing Joint Labor-Management Meeting to be held monthly. This meeting shall involve Authority representation from Executive Management and Human Resources and official OCEA representation. These meetings shall be co-chaired by both Parties and conducted for the purposes of facilitating effective communications and establishing assignment-specific joint labor-management committees or task forces as needed. The Parties shall share responsibility for moving issues forward toward resolution. With mutual consent, the frequency of the meetings may be altered as appropriate or by the Authority as necessary.

Section 1. Purpose

- A. In order to achieve and maintain beneficial relationships through continuing communications, the OCFA and the OCEA do hereby establish a Joint Labor-Management Committee for the OCEA represented Unit. The purpose of the Committee is to discuss, explore, study, and resolve problems referred to it by the parties of this Agreement. The Committee, by mutual agreement, shall be authorized to make recommendations on those problems that have been discussed, explored, and studied and make recommendations for implementation.
- B. In order to have a frank and open discussion, the Committee shall have no authority to change, delete, or modify any of the terms of this Agreement or to settle any grievance being processed under a different Article of this Agreement. When mutually agreed upon, the Committee's discussions shall not be publicized.

Section 2. Committee Membership

- A. OCEA—Two (2) employee representatives of the OCEA-represented Unit and one (1) OCEA staff representative.
- B. OCFA—Human Resources Director or designee and two (2) designated management representatives.
- C. Substitutes may be chosen by mutual consent, but it is recognized that a continuity of membership is desired. The two (2) employee representatives and the two (2) designated management representatives may be rotated every eighteen (18) months.

Section 3. Chairperson Responsibilities

- A. Chairperson responsibilities shall alternate monthly between the OCEA and OCFA management. Each party shall determine whether there shall be a permanent chairperson or rotating chairpersons.

Section 4. Conduct of Meetings

- A. Meetings shall be held once a month and shall be no more than (2) hours in length, unless the nature of business warrants extension thereof. However, interim meetings may be held if mutually agreed to by the Committee.
- B. An agenda shall be submitted to both Parties forty-eight (48) hours prior to the meetings. At the first meeting, a specific day and time shall be selected for future meetings. Topics not on the agenda shall not be discussed but shall be placed on the following month's agenda. Emergency items may be added by mutual consent. The agenda shall include a brief discussion of each item to be discussed. Discussion of agenda topics shall be alternated, with the party occupying the chair exercising the right to designate the first topic.

Section 5. General Guidelines

- A. It is not the intent of this Committee to serve as a substitute for other specific administrative, judicial, or quasi-judicial agencies.
- B. No grievances or disciplinary actions being processed under another part of this Agreement shall be discussed, and no bargaining shall take place.
- C. Topics that could lead to grievances may be discussed.
- D. Each person wishing to speak shall be recognized by the Chairperson before speaking.
- E. The Chairperson shall recognize a motion from either party to table a topic for further study. No topic may be tabled more than once, unless by mutual consent.
- F. Each topic shall be discussed fully and action reached before proceeding to another topic. Topics requiring further study may be tabled. When mutually satisfactory decisions are not reached, the parties may pursue such topics in any other manner that is lawful.

ARTICLE XXIV

COMPENSATION

Section 1. Base Salary Adjustments

Effective on the first day of the first full pay period in March 2015, employees in the bargaining unit shall receive a two and three quarter percent (2.75%) base salary increase.

Effective on the first day of the first full pay period in March 2016, employees in the bargaining unit shall receive a two and one half percent (2.50%) base salary increase.

Effective on the first day of the first full pay period in March 2017, employees in the bargaining unit shall receive a three percent (3.0%) base salary increase.

A. The parties agree that a classification and compensation study of the classifications below will be conducted within four months from the date of Board approval of the MOU. The study will be conducted by an outside consultant. The consultant will be chosen by a committee who will evaluate the responses to the requests for proposals. The Association may have one of its members on the committee, but it will be Authority management who will choose the consultant as it is the Authority who will be hiring and paying for the consultant. Following receipt of the consultant's reports, the parties agree to reopen labor negotiations to negotiate over compensation and classification of these classifications.

1. Fire Prevention Services Specialist – this will include an analysis of how this classification compares to Office Services Specialists.

2. Assistant Fire Marshal - this will include an analysis of how this classification compares to Fire Safety Engineer.

3. Office Services Specialists in Community Risk Reduction - this will include an analysis of how this classification compares to Administrative Assistant.

~~A. Effective the first "full" pay period in January 2007 (Pay Period #2), each position covered by this Agreement shall receive a three (3) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~

~~B. Effective the first "full" pay period in January 2008 (Pay Period #2), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~

- ~~C. Effective the first "full" pay period in July 2008 (Pay Period #15), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~D. Effective the first "full" pay period in January 2009 (Pay Period #2), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~E. Effective the first "full" pay period in July 2009 (Pay Period #15), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~F. Effective the first "full" pay period in January 2010 (Pay Period #2), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~G. Effective the first "full" pay period in July 2010 (Pay Period #15), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~H. Effective the first "full" pay period in January 2011 (Pay Period #3), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~I. Effective the first "full" pay period in July 2011 (Pay Period #15), each position covered by this Agreement shall receive a one and one half (1 1/2) percent base salary increase. The increase will be calculated based on six (6) decimal places and then rounded to two decimal places for the hourly rate.~~
- ~~J. **Effective the first "full" pay period in February 2012 (Pay Period 5) each position covered by this Agreement will receive a base salary increase, if warranted. The calculation and implementation of the base salary increase will be in accordance with the methodology identified in Section 1.M, of this Article (05/26/11).**~~
- ~~K. **Effective the first "full" pay period in February 2013 (Pay Period 5) each position covered by this Agreement will receive a base salary increase, if warranted. The calculation and implementation of the base salary increase will be in accordance with the methodology identified in Section 1.M, of this Article (05/26/11).**~~
- ~~L. **Effective the first "full" pay period in February 2014 (Pay Period 5) each position covered by this Agreement will receive a base salary Increase, if warranted. The calculation and implementation of the base salary**~~

~~increase will be in accordance with the methodology identified in Section 1.M, of this Article (05/26/11).~~

~~M. Effective January 1, 2012, the salary adjustments in Section 1. J, K and L of this Article will be based on the dollar amount of the corresponding fiscal year's "General Fund Surplus/(Deficit)" line item in the document identified as Five Year Financial Forecast – Baseline Model, which is included with the adopted annual budget. The dollar amount calculation and application relative to salary adjustments shall be as follows (05/26/11):~~

~~1. UPDATING FIVE YEAR FINANCIAL FORECAST-BASELINE MODEL~~

~~a. During the Authority's mid-year financial review, the Five Year Financial Forecast – Baseline Model document will be updated by replacing the adopted "Secured Property Tax" dollar amount, found in Section A of the document, with the actual "Secured Property Tax" dollar amount calculated by using the data submitted by the County of Orange in the document identified as Tax Ledger Detail – Orange County Fire Authority (05/26/11).~~

~~b. The actual "Secured Property Tax" dollar amount is calculated by starting with the dollar amount reported on the Tax Ledger Detail – Orange County Fire Authority for the line item identified as "Secured Initial Tax Levy" and then adjusting that amount by the same roll change/refund factor used in the Adopted Budget. As an example, the following are calculations for FY 2010/11 (05/26/11):~~

2010/11 Secured Initial Tax Levy	\$166,802,437.30
2010/11 Roll Change/Refund Factor of 0.75%	\$ (1,251,018.28)
2010/11 Actual Secured Property Tax	\$165,551,419.02

~~c. Upon replacing the adopted "Secured Property Tax" dollar amount with the actual "Secured Property Tax" dollar amount, Section A of the Five Year Financial Forecast – Baseline Model will be recalculated, which will result in an updated "General Fund Surplus/ (Deficit)" amount (05/26/11).~~

~~d. Based on the amount of the "General Fund Surplus/(Deficit)", one of the following actions will be initiated (05/26/11):~~

~~• If the updated "General Fund Surplus/(Deficit)" amount is less than or equal to five (5) percent of General Fund Expenditures, no salary adjustments will be implemented (05/26/11).~~

~~• If the updated "General Fund Surplus/(Deficit)" amount is greater than five (5) percent of the General Fund Expenditures, the Authority will distribute the amount in excess of the five (5) percent fund in the form of a salary~~

~~adjustment, not to exceed five (5) percent, to those employee bargaining units and unrepresented units that have agreed to similar terms in a manner that will provide an equal percent of base salary increase to each of the units/groups (05/26/11).~~

~~N. Section 1.M, of this Article, shall remain in effect through February 2014 (05/26/11).~~

Section 2. Specialty Pay

A. Bilingual Pay

1. Qualified employees who meet the following criteria shall receive an additional ~~seventy eight thirty (7830)~~ cents per hour (approximately ~~one hundred and thirty five fifty-two [13552]~~ dollars per month) for all hours actually paid.

- a. An employee must be conversant in one (1) of the pre-designated languages to qualify to receive bilingual pay:
 - Spanish
 - Vietnamese
 - Korean
 - American Sign Language
 - b. Other languages may qualify on a case-by-case basis.
 - c. The employee must be approved by the Human Resources Director.
2. An employee shall not be eligible to receive more than one (1) type of bilingual pay concurrently.
 3. Bilingual pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earning of other benefits as provided by law.
 4. A bilingual employee may be called upon to speak or translate a second language at any time, as Authority needs dictate.
 5. An employee in a bilingual assignment may request assignment to a position that does not require bilingual certification. The request shall be made in writing to the Fire Chief, who shall consider it according to:
 - Authority need; and
 - Availability of a qualified replacement; and
 - Availability of another suitable assignment for the requesting employee.

B. Educational Incentive Pay

~~1. A regular, limited-term, or probationary employee who meets the following criteria shall receive educational incentive pay:~~

~~a. Satisfactory completion of the equivalent of sixty (60) college-level semester units or completion of an approved course from Universal Technical Institute or equivalent.~~

~~i. The rate of educational incentive pay shall be two and five-tenths (2.5) percent of base salary per month, prorated on an hourly basis for all regular hours paid.~~

~~b. Satisfactory completion of a bachelor's degree from an accredited college or university.~~

~~i. The rate of educational incentive pay for a bachelor's degree shall be five (5) percent of base salary per month, prorated on an hourly basis for all regular hours paid.~~

~~c. The maximum attainable educational incentive pay is five (5) percent of base salary per month.~~

~~12. Effective July 13, 2012 (Pay Period #16) aA regular, limited-term, or probationary employee who meets the following criteria shall receive educational incentive pay (05/26/11):~~

~~a. Satisfactory completion of the equivalent of sixty (60) college-level semester units or completion of an approved course from Universal Technical Institute or equivalent (05/26/11).~~

~~i. The rate of educational incentive pay shall be two and one half five-tenths (2.5) percent of base salary per month, prorated on an hourly basis for all regular hours paid (05/26/11).~~

~~b.a. Satisfactory completion of the equivalent of ninety (90) college-level semester units (05/26/11).~~

~~i. The rate of educational incentive pay shall be three (3) percent of base salary per month, prorated on an hourly basis for all regular hours paid (05/26/11).~~

~~c. Satisfactory completion of a bachelor's degree from an accredited college or university (05/26/11).~~

~~i. The rate of educational incentive pay for a bachelor's degree shall be five and one half five-tenths (5.5) percent of base salary per month, prorated on an hourly basis for all regular hours paid (05/26/11).~~

~~d. The maximum attainable educational incentive pay is five and one half five-tenths (5.5) percent of base salary per month (05/26/11).~~

3. Educational incentive pay is not applied to overtime/backfill hours.
4. In order to receive educational incentive pay, the employee must:
 - a. Submit a written request to receive the educational incentive pay, and
 - b. Submit proof of qualification satisfactory to the Human Resources Director (grade cards, transcripts, and/or other verification from an accredited college-level educational institution shall constitute satisfactory proof of qualification).
5. Payment of the educational incentive pay shall begin with the pay period following verification of the employee's eligibility.
6. The educational incentive pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earning of any benefits as provided by law.

C. Air-Pack Certification Pay

1. Employees in the following classifications who have satisfactorily completed certification in Air-Pak 2.2/4.5/50 maintenance and overhaul issued by Scott Technical Services Group Health/Safety Products, or satisfactorily completed certification in oxygen system service/repair of all regulators, aspirators, selector valves, and demand valve testing shall receive air-pack certification pay:
 - Fire Equipment Technician
 - Senior Fire Equipment Technician
2. The rate of air-pack certification pay shall be seventythree five (\$7035) dollars per month, prorated on a biweekly basis.
3. Payment of the air-pack certification shall begin with the pay period following verification of the employee's certification.
4. Air-pack certification pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earning of any benefits as provided by law.

D. ASE Certifications

The Authority will reimburse employees who test for the available ASE certifications up to \$270 per year for the cost associated with testing for these certifications. Employees will need to show receipts for the costs associated with the testing to receive the reimbursement.

ED. Emergency Medical Dispatch Pay

1. Employees in the following classifications who have completed an Authority-approved Emergency Medical Dispatch Class, and who are required to perform Emergency Medical Dispatching (EMD) in accordance with Authority-approved protocols shall receive emergency medical dispatch pay:

- Fire Communications Dispatcher
- Fire Communications Supervisor
- Senior Fire Communications Supervisor

2. The rate for emergency medical dispatch pay shall be five (5%) percent of the employee's base hourly rate, prorated on an hourly basis for all hours paid.

3. Payment of the emergency medical dispatch pay shall begin with the pay period following verification of the employee's eligibility.

4. Emergency medical dispatch pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earnings of any benefits as provided by law.

E. Move-Up Supervisor Pay

1. Employees in the classification of Fire Communications Dispatcher who are assigned to perform temporary duties as a move-up supervisor in the absence of a Fire Communications Supervisor or Senior Fire Communications Supervisor shall receive move-up supervisor pay.

2. The rate for move-up supervisor pay shall be five (5%) percent of the employee's base hourly rate, prorated on an hourly basis for all hours worked in the temporary capacity.

3. During a twenty-four (24) hour workday, one (1) employee at a time shall be assigned as the move-up supervisor.

4. The assigned employee shall be eligible for move-up supervisor pay for the following purposes:

- a. Floor coverage during the meal-time and sleep-time periods of the Fire Communications Supervisor or Senior Fire Communications Supervisor.
- b. Floor coverage during periods of temporary absence of the Fire Communications Supervisor or Senior Fire Communications Supervisor such as training sessions, meetings, etc.

5. Move-up supervisor pay shall not apply to workers' compensation as part of the employee's base pay for the earnings of any benefits as provided by law.

F. Hazardous Materials Assignment Pay

The work described in this sub-article is no longer being performed by the Authority and therefore, the pay described below is not being paid to anyone. If, in the future, the Hazardous Materials Section or directly related program is reinstated the language in 1-5 below would be applicable.

1. Employees in the following classifications shall receive hazardous materials assignment pay, based on assignment and certification qualifications:
 - Assistant Fire Marshal
 - Fire Prevention Specialist
 - Senior Fire Prevention Specialist
2. The rate for hazardous materials assignment pay shall be five (5) percent of the employee's base hourly rate, prorated on an hourly basis for all hours worked.
3. An employee assigned to the Hazardous Materials Services Section shall be eligible for hazardous materials assignment pay upon successful completion of the Authority's certification requirements.
4. Payment of the hazardous materials assignment pay shall begin with the pay period following verification of the employee's certification.
5. Hazardous materials assignment pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earnings of any benefits as provided by law.

G. Plan Review Pay

1. Employees in the following classifications who are assigned the duties of plan reviewer assigned to the Planning and Development Section shall receive plan review pay based on assignment and certification qualifications:
 - Assistant Fire Marshal
 - Fire Prevention Specialist
 - Senior Fire Prevention Specialist
2. The rate for plan review pay shall be seven and one half five-tenths (7.5%) percent of the employee's base hourly rate, prorated on an hourly basis for all hours worked.
3. An employee assigned to the Planning and Development Section who performs the duties of plan reviewer shall be eligible for plan review pay upon successful completion of the Authority's certification requirements.
4. Payment of plan review pay shall begin with the pay period following verification of an employee's certification.

5. Plan review pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earnings of any benefits as provided by law.

H. Night Assignment Pay

1. An employee who is regularly assigned to a night assignment shall, in addition to his/her regular salary, receive night assignment pay.
2. For purposes of this Section, night assignment shall mean an assigned workday of seven (7) consecutive hours or more that includes at least four (4) hours of work between the hours of 4 p.m. and 8 a.m. Overtime that is worked as an extension of an assigned day assignment shall not qualify an employee for night assignment pay.
3. The rate of night assignment pay shall be five (5%) percent of the employee's base hourly rate, prorated on an hourly basis, with a minimum of sixty (60) cents per hour and a maximum of one (1) dollar and fifty (50) cents per hour for all hours worked on night assignment.
4. Fire Communications Dispatchers, Fire Communications Supervisors, and Emergency Transportation Technicians regularly assigned to a twenty-four (24) hour workday shall not be eligible for night assignment pay.
5. Night assignment pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earnings of any benefits as provided by law.

I. Emergency Medical Technician (EMT) Pay

1. Full-time employees in the classification of Emergency Transportation Technician who maintain an active State of California EMT certification shall receive emergency medical technician pay.
2. The rate of emergency medical technician pay shall be five (5%) percent of the employee's base hourly rate, prorated on an hourly basis for all regular hours worked.
3. Payment of the emergency medical technician pay shall begin with the pay period following verification of the employee's certification.
4. Emergency medical technician pay shall apply to workers' compensation and be considered as part of the employee's base pay for the earnings of any benefits as provided by law.
5. The Authority shall provide recertification opportunities for Emergency Transportation Technicians.
6. Emergency medical technician pay is not applied to overtime/backfill hours, unless applicable by law.

ARTICLE XXV

REOPENER

Section 1. Reopener

~~A. Effective January 2007, the parties agree to commence the process of initiating discussions relative to work schedules for employees in the classifications of Fire Communications Dispatchers and Fire Communications Supervisors.~~

ARTICLE XXVI

MANAGEMENT RIGHTS

The Authority retains any rights, powers, or authority it had prior to the signing of this Agreement, except as those rights are or may be, during the term of this Agreement, directly or indirectly affected by this Agreement or applicable law. Such rights shall include, by way of example, but not limitation, the right to manage the Authority and direct the workforce, including the right to hire, select, discipline, transfer, and assign work. Nothing in this provision shall be construed to restrict grievances concerning this Agreement or to limit or waive the rights of the parties pursuant to law or this Agreement.

ARTICLE XXVII

STRIKES

During the life of this Agreement, no work stoppages, strikes, slowdowns, or other concerted employee actions that can be interpreted as job actions shall be caused or sanctioned by the Association, nor shall any lockouts be caused by the Authority. In the event any employees covered by this Agreement, individually or collectively, violate the provisions of this Article and the OCEA fails to make all reasonable efforts to halt the work interruption, OCEA and the employees involved shall be deemed in violation of this Article and the Authority shall be entitled to seek all remedies available to it under applicable law.

RELEASE TIME

Section 1. Release Time for Authority Business

- A. Notwithstanding release time provided under the Meyers-Milias-Brown Act (MMBA), when an Association officer is conducting business on behalf of and in the interests of the Authority, upon mutual agreement of the Assistant Chief of the department in which the Association officer is assigned, or in his/her absence, the Deputy Fire Chief, and the designated representative of the Association, the Association officer shall be released from duty at no expense to the Association.

Section 2. Release Time for Association Business

- A. Notwithstanding release time provided under the Meyers-Milias-Brown Act (MMBA), the Authority shall provide a mechanism whereby members of the OCEA represented Units shall be able to contribute vacation or compensatory time to a bank of hours to be used by the Association's designated representatives for conducting Association business.
- B. Employees within the OCEA represented Units shall be allowed to donate up to eight (8) hours per calendar year of vacation or compensatory time to a bank of hours to be used by the Association's designated representatives for conducting Association business.
- C. All donations shall be irrevocable.

Section 3. Leave for OCEA Business

- A. The Authority shall allow a regular, limited-term, or probationary employee up to six (6) working days absence without pay during each fiscal year for the term of this Agreement to perform official OCEA business, provided that:
 - 1. OCEA shall make a request to the Human Resources Director at least ten (10) calendar days in advance.
 - 2. OCEA shall not request that such leave be effective for more than four (4) employees on any workday.
 - 3. The services of such an employee are not immediately required by the Authority, and other competent employees are available to do the employee's usual work.

Section 4. OCEA Presidential Leave

- A. Upon request by the OCEA, the Authority shall grant Presidential Leave with pay and benefits to designated OCEA representatives under the following provisions:
1. Presidential Leave shall be for a minimum of eight (8) hours.
 2. Presidential Leave is requested fourteen (14) calendar days in advance. Said Notice may be waived by mutual agreement.
 3. The OCEA promptly reimburses the Authority for all OCEA President salary expenses incurred during the Presidential Leave.
 4. The OCEA promptly reimburses the Authority for all benefit expenses incurred during the Presidential Leave.
 5. The employee shall continue to conform to the Authority's rules and regulations that are not inconsistent with Presidential Leave.
 6. There is not a compelling need for the employee to perform Authority work.
 7. The employee is a "standard" or better performer.
 8. When the duration or frequency of Presidential Leave is such that the employee's absence imposes a hardship on Authority operations, the Authority may reassign or transfer the individual to a less critical position in his/her class.
- B. Vacation and sick leave accrual rates shall apply to the employee as though he/she was on duty status.
- C. The duration of Presidential Leave, whether specified by hours for part-time employees or days for full-time employees, shall not count towards merit increase eligibility. A full-time employee's merit increase eligibility date, if applicable, shall be extended a number of calendar days equal to the Presidential Leave. A part-time employee's merit increase eligibility date shall be extended to meet the required hours for a merit increase. This extended merit increase eligibility date shall be effective the first day of the pay period after said date.
- D. The duration of Presidential Leave, whether specified by hours for part-time employees or days for full-time employees, shall not count towards the probationary period. A full-time employee's probation period, if applicable, shall be extended by the length of the Presidential Leave. A part-time employee's probation shall be extended to meet the required hours for probation. The extended probation period shall end on the first day of the pay period following said extended date.

- E. The employee's eligibility for promotional examinations shall not be affected by Presidential Leave.
- F. Layoff points shall not be affected by Presidential Leave.
- G. In the event emergency recall of the employee becomes necessary, Presidential Leave may be suspended or canceled during the course of the emergency. The OCEA shall not be obligated for reimbursement costs listed in Sections 4.A.3. and 4.A.4. of this Article for the period that Presidential Leave is suspended or canceled. Provisions of Sections 4.A.1. through 4.A.8. of this Article shall be suspended during said emergency recall.
- H. Not more than one (1) employee shall be eligible for Presidential Leave at any one (1) time.

ARTICLE XXIX

EFFECT OF AGREEMENT

~~The parties agree that the agreements identified as “side letters” that have been entered into prior to the effective date of this Agreement are no longer in effect, except as provided in Appendix B.~~

CONTRACT SIGNATURES

All terms and conditions set forth in this Agreement are hereby certified and agreed upon this _____ day of _____, 20 _____.

The Orange County Fire Authority

The Orange County Employees Association

Craig Kinoshita
Deputy Fire Chief

Aaron Peardon
OCEA Senior Labor Relations Representative

Lori Zeller
Assistant Chief – Business Services

Jamie Newton
OCEA Senior Labor Relations Representative

Lori Smith
Assistant Chief/Fire Marshal
Community Risk Reduction Department

David Paschke
OCEA Representative
Supervisory Management Unit

John Bowden
OCEA Representative
Supervisory Management Unit

Jeremy Hammond
Human Resources Director

Dennis Grubb
OCEA Representative
Supervisory Management Unit

Peter J. Brown
Labor Negotiator

Stella Inta
OCEA Representative
General Employees Unit

Chad Kurthy
OCEA Representative
General Employees Unit

Jeff Whitaker
OCEA Representative
General Employees Unit

Don Friedline
OCEA Representative
General Employees Unit

Tamy Rivers
OCEA Representative
General Employees Unit

Rich Swanson
OCEA Representative
General Employees Unit

John Dumitru
OCEA Representative
General Employees Unit

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APPENDIX A

BARGAINING UNIT CLASSIFICATIONS

Classes included in the General Unit as of January 22, 2015 ~~September 28, 2006~~:

0540 Accountant
0510 Accounting Support Specialist
0930 Administrative Assistant
0210 Assistant Fire Apparatus Technician
0310 Assistant Purchasing Agent
1615 Business Analyst
0305 Buyer
1110 Communications Installer
1120 Communications Technician
2010 Emergency Transportation Technician
1535 EMS Nurse Educators
0435 Essential Facilities Inspector
0940 Executive Assistant
~~0850 Exercise Physiologist~~
0410 Facilities Maintenance Coordinator
0220 Fire Apparatus Technician
0248 Fire Apparatus/Parts Specialist
1040 Fire Community Relations/Education Specialist
1210 Fire Communications Dispatcher
0615 Fire Delivery Driver
1920 Fire Equipment Operator
0620 Fire Equipment Technician
0260 Fire Helicopter Technician
0150 Fire Prevention Analyst
0110 Fire Prevention Services Specialist
0130 Fire Prevention Specialist
0120 Fire Prevention Trainee
0170 Fire Safety Engineer
~~1520 Fire Training Program Specialist~~
1910 General Laborer
1450 GIS Analyst
1430 GIS Specialist
1440 GIS Technician
0730 Human Resources Analyst
0710 Human Resources Specialist
1310 Information Technology Help Desk Technician
1340 Information Technology Analyst
1335 Information Technology Specialist
1325 Information Technology Technician
1610 Management Assistant
1050 Multimedia Specialist
0910 Office Services Assistant
0920 Office Services Specialist

0420 Project Specialist, Improvement
1030 Public Relations Specialist
0840 Risk Management Specialist
0520 Senior Accounting Support Specialist
0950 Senior Executive Assistant
1460 Senior GIS Analyst
0650 Service Center Lead
1130 Senior Communications Technician
0230 Senior Fire Apparatus Technician
0630 Senior Fire Equipment Technician
0140 Senior Fire Prevention Specialist
0720 Senior Human Resources Specialist
1350 Senior Information Technology Analyst
1525 Training Program Specialist

Classes included in the Supervisory Management Unit as of January 22, 2015~~September 28, 2006~~:

0530 Accounting Support Supervisor
0160 Assistant Fire Marshal
1220 Fire Communications Supervisor
1045 Fire Community Relations/Education Supervisor
0250 Fleet Services Coordinator
0240 Fleet Services Supervisor
1360 Information Technology Supervisor
1051 Multimedia Supervisor
0660 Service Center Supervisor
0249 Senior Fire Apparatus/Parts Specialist
1230 Senior Fire Communications Supervisor
0270 Senior Fire Helicopter Technician
0320 Supervising Purchasing Agent
1510 Wildland Fire Defense Planner



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 5B
Discussion Calendar

Revisions to the Personnel and Salary Resolution

Contact(s) for Further Information

Jeff Bowman, Fire Chief

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714.573.6010

Summary

This item is submitted to request approval of amendments to the Personnel and Salary Resolution for members of Executive Management, following closed session negotiations.

Prior Board/Committee Action

No committee action required or requested.

Recommended Action

Approve proposed revisions to the Personnel and Salary Resolution, Part 3, Article 1, Sections 9 – 14, as discussed in closed session negotiations.

Impact to Cities/County

Approval of the proposed revisions will slightly reduce the overall operating costs of the OCFA and the cost of delivering services to member agencies.

Fiscal Impact

If option one is selected, a savings of approximately \$20,149 can be expected in year one, while savings in years two and three are expected to be \$40,621 and \$66,321 respectively. The total savings over a three year period are approximated at \$127,091.

Background

In a continuing attempt to control rising retirement costs within the organization, members of the Executive Management team have voluntarily come together and unanimously recommended a phase-in approach to ensure that all Executive Management employees pay their entire member contributions towards OCERS within a three year time period. Currently, all employees who are not subject to the provisions of pension reform pay 9% towards their member contributions in OCERS. For these employees, the true cost of their member contributions range from 8.75% to 19.18%, depending on age of entry into OCERS. This recommended phase-in approach will result in a 2% increase in employee contributions in year one, a 2.5% increase in year two and payment of full member contributions in year three. Under this plan, the employee's retirement contribution will not be higher than their maximum employee contribution (based on age of entry into OCERS). This change will result in employees paying up to an additional \$21,574 annually in increased member contributions with an average annual increase of \$11,053 per employee at year three.

Attachment

Redlined Version of Personnel and Salary Resolution, Part 3, Article 1, Sections 9 - 14

Section 9. Retirement Formula – 3% at 50

- A. The Authority shall continue the “3% at 50 retirement formula” for current active Safety Member employees for all years of service as specified under California Government Code Section 31664.1.
- ~~B. Effective January 2011 (Pay Period #4), the Authority shall make a deduction from the employee’s Compensation Earnable in the amount equal to two and seventy-five hundredths (2.75) percent to offset the cost to the Authority for this retirement benefit. This deduction shall continue during the employee’s employment period with the Authority or until such time that the employee qualifies under GC 31664.1(c).~~
- ~~C. Effective January 2012 (Pay Period #4), the Authority will increase the deduction from the employee’s Compensation Earnable to the amount equal to five and five-tenths (5.5) percent to offset the cost to the Authority for this retirement benefit. This deduction shall continue during the employee’s employment period with the Authority or until such time that the employee qualifies under GC 31664.1(c).~~
- B. Effective January 2013 (Pay Period #4), the Authority will increase the deduction from the employee’s Compensation Earnable to the amount equal to nine (9) percent to offset the cost to the Authority for this retirement benefit. This deduction shall continue during the employee’s employment period with the Authority or until such time that the employee qualifies under GC 31664.1(c).
- C. Effective the first day of the first full pay period in March, 2015, employees in Executive Management shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).
- D. Effective the first day of the first full pay period in March, 2016, employees in Executive Management shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).
- E. Effective the first day of the first full pay period in March, 2017, employees in Executive Management shall pay fifty percent (50%) of the normal retirement cost toward the employee’s retirement contribution but no higher than their maximum employee contribution (based on age of entry into OCERS).

F. The Authority shall continue to pay one hundred (100) percent of the employee's remaining retirement contribution, pursuant to Government Code 31581.2 independent of the retirement formula benefit set forth herein the statutory maximum allowable by the Government Code.

G. Members' normal cost-of-living contributions shall be adjusted subsequent to and in accordance with actuarial recommendations adopted by the Board of Retirement and the Authority Board.

H. The employee deduction shall continue during the employee's employment period with the Authority or until such time that the employee qualifies under Government Code Section 31664.1(c). At any time beyond March 1, 2017, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions.

D.

Section 10. Retirement Formula – 3% at 55 (Safety Employees Hired From July 1, 2011 Through December 31, 2012 or Employees Hired On or After January 1, 2013 With Reciprocal Retirement Benefits)

A. Effective July 1, 2011, the Authority shall implement the 3% at age 55 retirement formula for active safety employees who became members of this group and who are hired from July 1, 2011 through December 31, 2012 or hired on or after January 1, 2013 and establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 31664.2. Effective upon employment by the Authority, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to nine (9) percent to offset the cost to the Authority for this retirement benefit.

~~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, or until such time that the employee qualifies under GC 31664.1(c).~~

B. Effective the first day of the first full pay period in March, 2015, employees in Executive Management shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).

C. Effective the first day of the first full pay period in March, 2016, employees in Executive Management shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).

D. Effective the first day of the first full pay period in March, 2017, employees in Executive Management shall pay fifty percent (50%) of the normal retirement cost toward the employee's retirement contribution but no higher than their maximum employee contribution (based on age of entry into OCERS).

E. The Authority shall continue to pay one hundred (100) percent of the employee's remaining retirement contribution, pursuant to Government Code 31581.2 independent of the retirement formula benefit set forth herein the statutory maximum allowable by the Government Code.

F. Members' normal cost-of-living contributions shall be adjusted subsequent to and in accordance with actuarial recommendations adopted by the Board of Retirement and the Authority Board.

G. At any time beyond March 1, 2017, 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, or until such time that the employee qualifies under GC 31664.1(c).

A.

Section 11. Retirement Formula – 2.7% at 57 (Safety Employees Hired On or After January 1, 2013 With No Reciprocal Retirement Benefits)

A. Effective January 1, 2013, the Authority shall implement the 2.7% at age 57 retirement formula for active safety employees who became members of this group and are hired on or after January 1, 2013 who do not establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 7522.25(d). 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 with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

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" under the General Members category of the Orange County Employees Retirement System for current active non-safety employees in this group hired by the Authority prior to December 1, 2012. Implementation of this retirement formula shall be in accordance with the following requirements:

1. The employees will continue to assume the total cost of the benefit, which includes the Employer's Contribution Rate and Employee's Contribution Rate, calculated to a total of six (6) percent of the employee's Compensation Earnable. The Authority shall make a deduction from the

employee's Compensation Earnable to offset the cost to the Authority for this retirement benefit.

2. No employee shall receive a lesser final retirement calculation with 2.7% at age 55 retirement formula than what he/she would have received with the prior formula.
3. Effective January 2013 (Pay Period #4), the Authority will increase the deduction to nine (9) percent of the employee's Compensation Earnable to offset the retirement cost to the Authority for this retirement benefit.

4. ~~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.~~ Effective the first day of the first full pay period in March, 2015, employees in Executive Management shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).

5. Effective the first day of the first full pay period in March, 2016, employees in Executive Management shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).

4.6. Effective the first day of the first full pay period in March, 2017, employees in Executive Management shall pay fifty percent (50%) of the normal retirement cost toward the employee's retirement contribution but no higher than their maximum employee contribution (based on age of entry into OCERS).

7. At any time beyond March 1, 2017, 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.

- B. The Authority shall continue to pay one hundred (100) percent of the employee's remaining retirement contribution, pursuant to Government Code 31581.2 independent of the retirement formula benefit set forth herein the statutory maximum allowable by the Government Code.
- C. Members' normal cost-of-living contributions shall be adjusted subsequent to and in accordance with actuarial recommendations adopted by the Board of Retirement and the Authority Board.

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. Effective December 1, 2012, the Authority shall implement the 2% at age 55 retirement formula for active non-safety employees who became members of this group and are 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. Effective upon employment by the Authority, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to nine (9) percent to offset the cost to the Authority for this retirement benefit.
- B. Effective the first day of the first full pay period in March, 2015, employees in Executive Management shall pay up to eleven percent (11%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than eleven percent (11%).
- C. Effective the first day of the first full pay period in March, 2016, employees in Executive Management shall pay up to thirteen and one half percent (13.5%) but no higher than their maximum employee contribution (based on age of entry into OCERS) if their maximum employee contribution is lower than thirteen and one half percent (13.5%).
- D. Effective the first day of the first full pay period in March, 2017, employees in Executive Management shall pay fifty percent (50%) of the normal retirement cost toward the employee's retirement contribution but no higher than their maximum employee contribution (based on age of entry into OCERS).
- E. The Authority shall continue to pay one hundred (100) percent of the employee's remaining retirement contribution, pursuant to Government Code 31581.2 independent of the retirement formula set forth herein the statutory maximum allowable by the Government Code.
- F. Members' normal cost-of-living contributions shall be adjusted subsequent to and in accordance with actuarial recommendations adopted by the Board of Retirement and the Authority Board.
- G. At any time beyond March 1, 2017, 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, or until such time that the employee qualifies under GC 31664.1(c).

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

A. Effective January 1, 2013, the Authority shall implement the 2.5% at age 67 retirement formula for active non-safety employees who became members of this group and are 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.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 5C
Discussion Calendar

Board Meeting Schedule for Calendar Year 2015

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Sherry Wentz, Clerk of the Authority	sherrywentz@ocfa.org	714.573.6041

Summary

This item is submitted on behalf of Director Gerard Goedhart for approval of an expanded regular meeting schedule for the Board of Directors for calendar year 2015.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Adopt the proposed Resolution amending the 2015 Meeting Schedule for the Orange County Fire Authority Board of Directors to temporarily expand the regular meeting schedule to include monthly Board meetings.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

At its September 26, 2013, meeting the Board adopted Resolution No. 2013-12 to temporarily expand the dates of the regular Board of Directors meetings for Calendar Year 2014, due to the then upcoming labor contract negotiations.

At the special Board of Directors meeting held on December 4, 2014, Director Gerard Goedhart requested that the Board's 2015 Meeting Schedule be included on the next regular agenda for Board consideration. He had suggested maintaining the temporarily expanded monthly schedule and possibly making it permanent, since labor negotiations would be continuing through 2015 and there appeared to be an increase in agenda reports and Closed Session items in 2014.

With continued labor contract negotiations throughout 2015, OCFA staff is recommending that the Board again expand its regular 2015 Meeting Schedule to temporarily continue holding monthly Board meetings during 2015 (see Resolution's Exhibit to Attachment for specific meeting dates). These additional meetings would enable the Authority's labor negotiators to continue to obtain direction from the Board regarding desired objectives for negotiations and to report progress during on-going negotiations. In keeping with the Board Rules of Procedure, the Board Chair has the discretion to cancel any meeting should there be a lack of business.

Per the Board Rules of Procedure - Rule 1 "...a regular meeting of the Board of Directors shall be held on the fourth Thursday of each odd-number month." At this time, *staff is not recommending to amend the current Board Rules of Procedure Rule* to permanently expand regular Board meetings to a monthly-basis. Many of last year's Board agenda items and Closed Session subjects were due to special circumstances that would not likely be repeated as on-going subjects in the future.

The proposed Resolution adheres to the established meeting schedule of meeting on the fourth Thursday of the month with the exception of the November meeting. The meeting for the month of November has been scheduled for the third Thursday to be combined with the regular Executive Committee, due to the Thanksgiving holiday. The temporary schedule will continue the Board's tradition of going dark in the month of December.

Attachment(s)

Proposed Resolution

RESOLUTION NO. 2015-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS AUTHORIZING TO TEMPORARILY
EXPAND THE REGULAR MEETING DATES OF THE BOARD OF
DIRECTORS FOR CALENDAR YEAR 2015**

WHEREAS, the Orange County Fire Authority was established on March 1, 1995; and

WHEREAS, a Board of Directors was established; and

WHEREAS, as such, a schedule of the dates, times, and location of the Regular meetings of the Board is required, and

WHEREAS, due to continued labor negotiations it has been determined that it would be in the Board's interest to temporarily meet on a monthly basis during the 2015 calendar year and utilize these additional meetings for staff to obtain direction from the Board regarding its desired objectives and to report on progress during the on-going labor negotiations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Orange County Fire Authority does hereby adopt the attached exhibit establishing meeting dates for calendar year 2015.

PASSED, APPROVED and ADOPTED this 22nd day of January 2015.

ELWYN A. MURRAY, CHAIR
Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

2015 MEETING SCHEDULE



ORANGE COUNTY FIRE AUTHORITY Board of Directors

MEETING DATES

January 22

February 26

March 26

April 23

May 28

June 25

July 23

August 27

September 24

October 22

November 19*

December – Dark

***Meeting will be held on the same date as the Executive Committee,
due to the upcoming Thanksgiving holiday.**

MEETING TIME - 6:00 p.m.

LOCATION OF MEETINGS:

RFOTC – Board Room

1 Fire Authority Road

Irvine, California 92602

(714) 573-6000



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 5D
Discussion Calendar

FY 2014/15 Mid-Year Financial Report

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Tricia Jakubiak, Treasurer	triciajakubiak@ocfa.org	714.573.6301
Deborah Gunderson, Budget Manager	deborahgunderson@ocfa.org	714.573.6302

Summary

This item is submitted to provide a mid-year financial update on the FY 2014/15 budget in accordance with the OCFA's Fiscal Health Plan.

Prior Board/Committee Action

At its January 15, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

1. Approve a budget adjustment in Fund 121 to allocate \$3,000,000 of available unencumbered funds identified in the FY 2013/14 financial audit to OCFA's unfunded pension liability and allocate the remaining \$2,985,060 to OCFA's Capital Improvement Program.
2. Approve a budget adjustment in Fund 121 to increase the FY 2014/15 Jurisdictional Equity Adjustment Payments by \$4,978,772 resulting in full accrual of the Payments per the Second Amendment to the Amended Joint Powers Agreement, pending resolution of the appeal.
3. Authorize the following staffing changes:
 - a. Unfreeze two Fire Prevention Specialist positions in the Community Risk Reduction Department to improve OCFA's response to increased development activity.
 - b. Convert the 22 Handcrew Firefighter positions from limited-term to permanent status.
4. Direct staff to return to the Board of Directors in March 2015 for approval of all additional budget adjustments discussed herein for the FY 2014/15 budget.

Impact to Cities/County

Annual increases for cash contract cities are currently estimated at 2.5% per year for 2015/16 and 2016/17 (excluding catch-up provision) based on the Five-Year Financial Forecast.

Fiscal Impact

Financial impact has been presented in the attached report.

Background

See the attached Mid-year Financial Report.

Attachment(s)

Mid-year Financial Report

ORANGE COUNTY FIRE AUTHORITY

Mid-Year Financial Report

January 2015

In November 2013, the Board of Directors approved the updated Fiscal Health Plan and Financial Stability Budget Policies. These documents describe the Authority's strong fiscal policies, a comprehensive system for monitoring OCFA's fiscal performance, and a framework to assure timely and appropriate response to adverse fiscal circumstances. Included in the Fiscal Health Plan is the requirement for a mid-year financial report, which is presented here for the Budget and Finance Committee's review.

ECONOMIC OUTLOOK

Property tax is OCFA's largest source of revenue; therefore this section focuses on economic factors impacting property values. The December 2014 Chapman Economic and Business Review forecast estimates a 4% median home price increase in Orange County in 2015. The factors influencing this estimate are much the same as this time last year. Mortgages are becoming less affordable as a result of anemic income growth coupled with increases in home prices that occurred in the past two years, while new and resale properties will enter the market, placing "downward pressure on home price appreciation."

Chapman estimates that increased construction spending seen in 2014 will continue in 2015, stating that "the permits drawn in 2014 will become actual spending in 2015." This will have a longer-term positive benefit for OCFA's largest revenue source, property tax, as constructed properties are sold and/or reassessed after improvements are made.

CURRENT FISCAL YEAR FINANCES

The following are estimated changes to the General Fund budget that are needed since the adoption of the FY 2014/15 budget in May 2014. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$13.3 million and an estimated total expenditure increase of \$12.7 million when the full Jurisdictional Equity Adjustment Payment (JEAP) to Irvine, and additional lump sum payment to OCERS, is included. Staff expects to return in March 2015 to request budget adjustments in the required areas:

FY 2014/15 Potential Revenue Adjustments

Property Taxes: Based on secured tax billings provided by the Auditor/Controller, projections indicate an approximately \$8.5 million increase over budget. This is likely due to the Orange County Assessor's office conducting re-assessments of properties post the Great Recession. This re-captured value results in a large increase in property tax revenue in the current year, and future property tax revenues will now grow from a larger base.	\$8,500,000
Assistance by Hire (ABH): Assistance by Hire is the term used when OCFA responds to requests for assistance on incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$4.7 million greater than budget due to various out-of-county responses. Staff will be monitoring this category for additional reimbursements. A corresponding expenditure adjustment is also proposed to the overtime/backfill category.	\$4,700,000
Community Risk Reduction (CRR) Fees: In July, the Board approved a change to the CRR fee schedule, resulting in a net reduction to CRR fees and revenue.	(\$891,000)

Community Redevelopment Agency (CRA) Pass-Through: A one-time payment of approximately \$717,000 is scheduled to be received due to the settlement of a lawsuit between the City of Irvine and the California Department of Finance. \$717,000

Other Miscellaneous Revenues: Various changes are anticipated to categories of miscellaneous revenues, for a total net increase of \$323,978. \$324,000

Total FY 2014/15 Revenue Changes **≈ \$13,300,000**

FY 2014/15 Potential Expenditure Adjustments

JEAP Set-Aside: With the ratification of the Second Amendment to the Joint Powers Agreement (JPA), Jurisdictional Equity Adjustment Payments (JEAP) are required for qualifying Structural Fire Fund (SFF) members. The Amendment requires the City of Irvine to be paid 100% of the JEAP in FY 2014/15. Other qualifying agencies are due 25% of the JEAP this year with subsequent years' ratio growing to 100%. The JEAP calculation (Exhibit 1) indicates payments of \$6,989,875 are due to SFF members. \$5,000,000

OCFA's adopted budget anticipated use of the option allowed in the Second Amendment to delay a portion of Irvine's JEAP from FY 2014/15 to future years, since revenues were originally estimated to be insufficient to accommodate the entire payment due. The updated property tax revenues provide the opportunity to accrue the entire payment in the current year, smoothing the impact to the General Fund in later years. Although the financial forecast model has been updated to include a full JEAP to Irvine in the current year, the budget itself requires a \$5M adjustment.

In August 2014, a Superior Court judge ruled the Second Amendment to the JPA invalid. OCFA and Irvine are appealing this ruling, as the Second Amendment is very important to the long-term stability of OCFA and all member agencies. Given the uncertainty of the legal outcome and based on advice from General Counsel, OCFA will be transferring JEAPs to Equity Payment holding accounts pending resolution of the appeal. Any interest accrued will be paid when the legal action has resolved.

Overtime/backfill: As mentioned under revenue for Assistance by Hire, this account will require an increase related to out-of-county responses. \$3,200,000

Accelerated Pension Liability Paydown: The FY 2013/14 annual audit identified \$6 million of unencumbered fund balance available at the end of the fiscal year. In support of the Board-approved plan to accelerate payment of the unfunded pension liability, staff recommends that \$3M of the fund balance be used to make a lump sum payment to OCERS, and the remaining \$3M be transferred to the Capital Improvement Program. \$3,000,000

FS 56 Salaries/Benefits: The FY 2014/15 budget contained funding for salaries and benefits for three post positions (9 employees) for half of the year, anticipating the station opening on January 1, 2015. With the station on track to open in July 2015, this funding is no longer necessary in the current fiscal year. (\$920,000)

Firefighter MOU: The approval of the Firefighter MOU results in selected net increases in various S&EB categories which take effect during the current fiscal year. \$1,400,000

Orange County Employees Association (OCEA) MOU: A tentative agreement has been reached with OCEA on a new MOU. Upon approval of the new MOU, selected net increases in various S&EB categories will take effect during the current fiscal year. \$122,000

Training Needs: Increases in costs for staffing the Training Section and provision of training programs to OCFA employees are needed and requested as follows: \$172,000

- Due to retirements and promotions, a second firefighter academy is needed at an estimated cost of \$100,000, which may vary depending on the required parameters for the additional academy. The adopted budget only included funding for one academy conducted during the first-half of the fiscal year.
- OCFA's Training Section has been experiencing difficulties for multiple years attracting and retaining field personnel to serve in an administrative capacity for delivery of new recruit academies and ongoing training of field personnel. A review of the staffing issues found that qualified field personnel incurred roughly a 10% pay-cut when moving into the Training Section, due to loss of bonus pay assigned to specialty positions in the field. As previously discussed with the Board, and to resolve these issues, staff is recommending implementation of a 10% bonus pay for qualified personnel who agree to serve in a staff capacity in the Training Section. The estimated cost for the remainder of FY 2014/15 is approximately \$57,000.
- To assist in meeting staff development and succession planning goals, funding is requested for purchase of a Microsoft Training platform. The training will be available to all employees, for completion at their own pace, covering Microsoft programs of greatest use to each employee, for a three-year cost of \$15,000.

Staffing Needs - \$78K increase: \$78,000

- Planning & Development (P&D): P&D continues to be impacted by construction activity in Orange County, experiencing a significant increase in service demands which have required a need to reassess staffing and frozen positions. Providing service to the development community without causing delayed turnaround times and excessive overtime will require us to unfreeze and fill two vacant Fire Prevention Specialist (inspection) positions. These positions will initially be filled with Trainee level employees at an annual cost of \$189,000, of which a pro-rated adjustment of approximately \$78,000 would be required. The eventual annual cost for two full-time Specialist inspectors is \$271,000.
- Handcrew Firefighters (HCFF): OCFA currently has 22 HCFF positions. These positions have been staffed as a limited term classification for several years. Changing the classification from limited term to full-time regular has no budgetary impact since limited term employees earn the same pay and benefits as a regular full-time employee. This change only reflects the OCFA's plan to maintain these positions in the future and updates the authorized position count for OCFA.

Other Miscellaneous Expenses: Various expenditure changes that have been separately reviewed with the Executive Committee and/or Board are being requested for a total net increase of \$707,471. These include items such as increases for OCFA’s labor negotiator (\$150,000), special litigation counsel (\$25,000), General Counsel (\$100,000), and a combination of transfer from the existing CIP budget, and increase, for helicopter components including a hoist (\$305,000). \$707,000

Total FY 2014/15 Expenditure Changes **≈ \$12,700,000**

General Fund and CIP funds – Beginning Fund Balance Adjustment

Beginning fund balances will be adjusted in accordance with the FY 2013/14 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 CIP beginning fund balance adjustments largely result from ongoing projects not being completed during the FY which were rebudgeted to FY 2014/15.

FY 2014/15 “Trigger” Formula Calculation for Base Salary Increase Determination

In accordance with Memorandums of Understanding (MOU) with selected represented groups, a “trigger” formula calculation has been used to determine whether employee base salary increases shall be scheduled for February 2015. This “trigger” calculation determines how much is available for increases to base salary, after funding all general fund expenditures, the incremental increase to the contingency fund balance, and designating an amount equal to 5% of general fund expenditures for transfer to the Capital Improvement Funds. Per the existing MOUs, FY 2014/15 is the last year in which the “trigger” formula remains applicable. Thereafter, any future salary increases will be pursuant to successor MOUs.

The attached calculation (Exhibit 2) is based on figures from the 2014/15 adopted budget as well as the actual secured property tax initial tax levy from the County as required by the agreed upon methodology. The calculation for this year resulted in a negative approximately \$7.5 million, indicating that there are no funds available for “triggered” base salary increases.

FUTURE FISCAL YEAR FINANCES

Significant factors that are anticipated to influence the FY 2015/16 budget include:

- **Prepayment of OCERS Contributions** – Staff will conduct an analysis of OCFA's cash flow position; we expect to prepay half of the employer contributions to OCERS to take advantage of an approximately 5.8% discount. The discount factor was lowered in the past several months from 7.25% to 5.8%.
- **Property Taxes** - Since property tax is the largest source of income for the General Fund at about 63% we have again contracted with Rosenow, Spevacek Group, Inc. (RSG) to update our property tax projections. Updated preliminary information for our FY 2015/16 budget will not be available until February 2015; therefore, in the interim we are continuing to use RSG’s prior projection for FYs 2015/16 through 2018/19 of the Five-Year Financial Forecast. The Chapman Economic and Business Review forecast projected that property tax revenue will show continued, albeit slow, growth.

- **Retirement Rates** - The Orange County Employees Retirement System (OCERS) Board has adopted retirement rates for FY 2015/16. Employer rates for safety employees will increase by approximately 0.34% of pay and employer rates for general employees will increase by approximately 0.70% of pay compared to rates used to develop the FY 2014/15 budget adopted in May 2014. The latest rates reflect the full impact of OCERS' 0.50% decrease in the assumed rate of return from 7.75% to 7.25%. This change took effect in FY 2014/15 and was phased-in over two fiscal years.

PENDING ISSUES

- **TRAN** – As in the current fiscal year, the OCFA is anticipating the need to issue a Tax Revenue Anticipation Note (TRAN) in early FY 2015/16. The TRAN will provide for short-term cash needs until we receive our regular property tax payment from the Auditor-Controller, which typically occurs in December and April.
- **Adjudication of Appeal on Second Amendment to JPA** – Staff continues to monitor the legal process as the appeal relating to the ruling in the validation matter for the Second Amendment to the JPA continues. Given the uncertainty of the legal outcome and based on advice from OCFA General Counsel, we have elected to transfer any calculated JEAP payments to internal Equity Payment holding accounts pending resolution of the appeal. Per the JPA, the funds will accrue interest at the rate earned on the OCFA portfolio, which will be transferred to the qualifying agency upon a successful resolution of the appeals process.

MONITORING FINANCIAL HEALTH

Financial Forecast

The Fiscal Health Plan directs staff to monitor our financial indicators through frequent updates to the Authority's Five Year Financial Forecast, measuring revenues, expenditures, debt, and committed and uncommitted fund balance. These categories are forecast using all available information, Board actions, and economic conditions (Exhibits 3 and 4).

A trend report has been developed comparing the differences between the forecasted data and actual financial results and is attached to this Review as Exhibit 5.

Accelerated Paydown of UAAL

The FY 2014/15 Adopted Budget included an initial payment of approximately \$18.3 million towards accelerated paydown of the OCFA's Unfunded Actuarial Accrued Liability (UAAL) with OCERS. This proposed mid-year review also includes an additional \$3 million lump sum payment towards the UAAL, in compliance with the "Snowball" plan adopted by the Board in September 2013. With approval of this agenda item, total accelerated payments for FY 2014/15 will be \$21.3 million.

Orange County Fire Authority
 FY 2014/15 Equity Calculations
 Updated 12/2014

I. Calculate Average SFF Rate				
Description	Agmt. Ref.	Source	Amount	Calculation
Total SFF Revenue Figure	Pg. 3, Sec. 4.A.(1)	AT68AD-73 Auditor Controller Accumulation of Combined Prior Year and Current Year ATI	200,309,490	[A]
Total AV Figure	Pg. 4, Sec. 4.A.(2)	AT04VC-74 Auditor Controller District Values Used to Set Tax Rates	172,965,666,284	[B]
SFF Basic Levy Figure	Pg. 4, Sec. 4.A.(3)	Total AV Figure X 1%	1,729,656,663	[C] = [B] X 1%
Average SFF Rate	Pg. 4, Sec. 4.A.(4)	SFF Revenue Figure / SFF Basic Levy Figure	11.58%	[D] = [A] / [C]

II. Calculate Jurisdictional Equity Adjustment Payment							
City	Jurisdictional SFF Revenue Figure per Auditor-Controller AT68AD-73 Report	Jurisdictional AV Figure per Auditor-Controller AT04VC-74 Report (L&I)	Jurisdictional Basic Levy Figure	Jurisdictional SFF Rate	Over-Funded SFF Jurisdictions	Jurisdictional Equity Adjustment Payment	Phase in payment due in FY 2014/15 (applicable agencies) 25%
Agreement Ref. Calculation	Pg. 5, Sec. 4.A.(5).a [E]	Pg. 5, Sec. 4.A.(5).b [F]	Pg. 5, Sec. 4.A.(5).c [G]=[F] X 1%	Pg. 5, Sec. 4.A.(5).d [H]=[E] / [G]	Pg. 5, Sec. 4.A.(6) IF [H] > [D]	Pg. 6, Sec. 4.A.(6) [I]=([H]X[G])-(D)X[G]	
Aliso Viejo	9,724,276	8,533,234,588	85,332,346	11.40%			
Cypress	4,454,860	5,000,069,905	50,000,699	8.91%			
Dana Point	11,082,066	9,645,289,772	96,452,898	11.49%			
Irvine	68,300,059	53,352,431,215	533,524,312	12.80%	11.58%	6,513,240	6,513,240 *
Laguna Hills	6,147,936	5,979,270,552	59,792,706	10.28%			
Laguna Niguel	13,896,437	13,231,874,048	132,318,740	10.50%			
Laguna Woods	2,834,724	2,428,365,849	24,283,658	11.67%	11.58%	22,463	5,616
Lake Forest	12,472,117	10,769,038,612	107,690,386	11.58%	11.58%	621	155
La Palma	1,428,958	1,555,327,250	15,553,273	9.19%			
Los Alamitos	1,716,485	1,718,475,408	17,184,754	9.99%			
Mission Viejo	15,017,493	14,034,290,989	140,342,910	10.70%			
Rancho Santa Margarita	8,888,108	7,206,553,173	72,065,532	12.33%	11.58%	542,284	135,571
San Juan Capistrano	6,557,877	5,700,231,442	57,002,314	11.50%			
Villa Park	1,555,844	1,523,569,454	15,235,695	10.21%			
Yorba Linda	9,789,479	10,600,737,150	106,007,372	9.23%			
County Unincorporated	26,442,771	21,675,034,251	216,750,343	12.20%	11.58%	1,341,170	335,293
Total OCFA SFF	200,309,490	172,953,793,658	1,729,537,937			8,419,778	6,989,875

* Per 2nd Amendment to JPA, Irvine receives full payment in FY 2014/15

OCFA TRIGGER FORMULA
 (Reformatted from the Five Year Financial Forecast - Baseline Model)
FY 2014-15

GENERAL FUND REVENUES		GENERAL FUND EXPENDITURES	
Property Taxes	200,615,240 *	Salaries	171,035,923
State Reimbursements	4,429,534	Retirement	69,456,192
Federal Reimbursements	100,000	Worker's Comp	13,811,667
One-Time Grant Proceeds	-	Insurance, Medicare, Etc.	25,562,204
CRA Pass-Thru's	6,608,025	Salaries & Employee Benefits	279,865,986
Cash Contracts	87,934,667	Services & Supplies/Equipment	23,574,477
Haz Mat Services Section	-	One-Time Grant Expenditures	-
Fire Prevention Fee	7,340,160	TRAN Debt Service - Interest Expense	895,000
ALS Supplies & Transport Reimbursement	4,570,574	Incremental Increase to Contingency Fund Balance	1,582,301 (a)
Interest Earnings	886,749		
Other Revenue	1,171,785		
TOTAL REVENUES (A)	313,656,734	TOTAL EXPENDITURES (B)	305,917,764
<p style="margin: 0;"><i>(a) This item is in addition to the total shown for General Fund expenditures on the Five Year Financial Forecast. For purposes of the Forecast, this item is reflected in Section B. Should additional increases be needed to replenish Contingency Fund Balance that may have been used for budget deficits, these increases will be funded first from the cash flow fund balance.</i></p>			
GENERAL FUND SURPLUS/(DEFICIT) = (A-B)	7,738,970		
Fund 5% of General Fund Expenditures to CIP	(15,216,773)		
<i>(excludes incremental increase to Contingency Fund Balance)</i>			
TRIGGER FORMULA FUNDS AVAILABLE - ALL GROUPS	(7,477,803)		

* - FY 2014/15 adopted total property tax amount adjusted by the FY 2014/15 secured property tax ledger. Assumes 1% roll change/refund factor.

Updated* Five-Year Financial Forecast

*Includes all Board approved adjustments and proposed Mid-Year adjustments

	ADJUSTED FY 2014/15	PROJECTED FY 2015/16	PROJECTED FY 2016/17	PROJECTED FY 2017/18	PROJECTED FY 2018/19
A. BEGINNING FUND BALANCE	171,491,991	142,930,063	146,604,438	152,473,541	160,381,348
GENERAL FUND REVENUES					
Property Taxes	203,945,724	211,056,991	217,835,535	225,256,580	232,899,937
State Reimbursements	4,429,534	4,429,534	4,429,534	4,429,534	4,429,534
Federal Reimbursements	100,000	100,000	100,000	100,000	100,000
One-Time Grant/ABH/RDA	7,421,176	-	-	-	-
Community Redevelopment Agency Pass-thru	6,608,025	6,769,574	7,063,054	7,225,940	7,393,311
Cash Contracts	87,934,667	90,799,468	93,284,824	95,093,429	97,665,775
Community Risk Reduction Fees	6,448,604	6,448,604	6,448,604	6,448,604	6,448,604
ALS Supplies & Transport Reimbursement	4,570,574	4,570,574	4,570,574	4,570,574	4,570,574
Interest Earnings	886,749	224,336	332,769	444,078	449,050
Other Revenue	1,495,763	1,313,235	1,313,235	1,313,235	1,313,235
Transfers from General Fund Cashflow Fund (OCERS Pre-Pay)	18,290,238	-	-	-	-
TOTAL REVENUES	342,131,054	325,712,316	335,378,129	344,881,974	355,270,020
GENERAL FUND EXPENDITURES					
New Positions for New Stations	-	1,099,221	1,120,424	4,025,616	4,103,267
Employee Salaries	172,113,942	174,076,756	174,699,904	175,172,781	175,172,781
Retirement - Regular Annual Payments	69,066,956	69,826,841	68,672,613	67,910,657	66,202,726
Retirement - Paydown of UAAL (Rate Savings)	-	2,493,453	3,629,709	4,391,665	8,268,666
Retirement - Paydown of UAAL (Unencumbered Funds)	21,290,238	-	-	-	-
Retirement - Paydown of UAAL (\$1M per Year)	-	-	1,000,000	2,000,000	3,000,000
Workers' Comp Transfer out to Self-Ins. Fund	13,811,667	13,941,323	14,235,795	14,662,869	15,102,755
Other Insurance	23,295,121	25,431,609	27,764,373	30,311,479	33,092,655
Medicare	2,306,992	2,482,270	2,482,270	2,482,270	2,482,270
One-Time Grant/ABH Expenditures	4,284,696	-	-	-	-
Salaries & Employee Benefits	306,169,612	289,351,473	293,605,089	300,957,337	307,425,120
Equity Payments	6,989,875	7,746,727	8,525,408	9,366,741	9,706,379
Services & Supplies/Equipment	24,399,798	24,206,779	24,266,549	24,314,749	24,289,359
New Station/Enhancements S&S Impacts	-	45,977	45,977	168,581	168,581
One-Time Grant Expenditures	999,394	-	-	-	-
Debt Service: Interest on TRAN	895,000	-	-	-	-
TOTAL EXPENDITURES	339,453,679	321,350,956	326,443,023	334,807,408	341,589,439
NET GENERAL FUND REVENUE	2,677,375	4,361,360	8,935,106	10,074,566	13,680,581
B. Incremental Increase in GF 10% Contingency	-	522,130	217,713	576,110	156,539
GENERAL FUND SURPLUS / (DEFICIT)	2,677,375	3,839,230	8,717,393	9,498,456	13,524,042
C. Operating Transfers to/(from) GF Cashflow (OCERS Pre-Pay)	-	-	-	-	-
D. Operating Transfers (from) Operating Contingency	-	-	-	-	-
Transfers to CIP Funds					
Transfers to CIP from General Fund Surplus	2,677,375	3,839,230	8,717,393	9,498,456	13,524,042
Total Operating Transfers to CIP	2,677,375	3,839,230	8,717,393	9,498,456	13,524,042
Capital Improvement Program/Other Fund Revenues					
Interest Earnings	246,134	1,198,903	1,872,457	2,631,668	2,835,109
State/Federal Reimbursement	1,124,780	-	-	-	-
Cash Contracts	1,673,564	1,692,596	1,735,275	1,779,233	1,824,510
Developer Contributions	7,771,556	1,465,353	-	2,360,970	-
Workers' Comp Transfer in from GF	13,811,667	13,941,323	14,235,795	14,662,869	15,102,755
Miscellaneous	559,279	-	-	-	-
Lease Purchase Proceeds	-	-	9,838,662	11,536,042	3,799,053
Operating Transfers In	2,677,375	3,839,230	8,717,393	9,498,456	13,524,042
Total CIP, W/C, Other Revenues	27,864,355	22,137,405	36,399,582	42,469,238	37,085,468
Capital Improvement Program/Other Fund Expenses					
Fund 122 - Facilities Maintenance & Improvements	2,654,276	1,302,122	1,330,505	1,359,669	1,389,634
Fund 123 - Facilities Replacement	5,749,437	-	-	-	-
Fund 124 - Communications & Info Systems Replace.	9,465,097	2,856,449	7,986,730	13,913,195	5,319,500
Fund 133 - Vehicle Replacement	12,961,164	7,112,716	11,957,241	7,996,290	3,776,467
Sub-Total CIP Expenses	30,829,974	11,271,287	21,274,476	23,269,154	10,485,601
Fund 171 - SFF Entitlement	216,213	-	-	-	-
Fund 190 - WC Self-Ins. (Cashflow Payments per Actuary)	7,089,858	7,713,874	8,308,297	8,948,526	9,638,090
Lease Purchase Payments	-	-	1,165,419	2,919,861	3,827,006
Total CIP, W/C, Other Expenses	38,136,045	18,985,161	30,748,192	35,137,541	23,950,697
E. CIP SURPLUS/(DEFICIT)	(10,271,690)	3,152,244	5,651,390	7,331,698	13,134,771
ENDING FUND BALANCE (A+B+C+D+E) [a]	142,930,063	146,604,438	152,473,541	160,381,348	173,672,659
Fund Balances					
Operating Contingency (10% of Expenditures)	30,588,948	31,111,078	31,328,791	31,904,900	32,061,439
Donations & Developer Contributions	4,923	4,923	4,923	4,923	4,923
Fund 171 - Structural Fire Fund Entitlement	570,472	580,542	596,271	618,377	642,192
Capital Improvement Program	43,134,679	39,554,377	38,489,403	38,998,036	45,473,710
Community Risk Reduction Fee-Funded Capital Needs	886,075	886,075	886,075	886,075	886,075
Fund 190 - WC Self-Insurance	67,744,967	74,467,443	81,168,078	87,969,037	94,604,319
Total Fund Balances	142,930,063	146,604,438	152,473,541	160,381,348	173,672,659

[a] Calculation removes fund balance transfers shown under General Fund Revenues as these are already included in Beginning Fund Balance.

Forecast Assumptions – Mid-Year Revised

Basic Assumptions:

The Adopted FY 2014/15 budget, the Five-Year Capital Improvement Plan approved by the Board of Directors on May 22, 2014, and the proposed FY 2014/15 Mid-Year adjustments form the basis for this financial forecast.

General Fund Revenues:

- **Secured Property Taxes** – Rosenow Spevacek Group’s (RSG) Final 2014 Report provides the growth factors assumed for the forecast. The following are projections of current secured property tax growth:

FY 2015/16	3.75%
FY 2016/17	3.45%
FY 2017/18	3.65%
FY 2018/19	3.63%

Property Tax for FY 2014/15 reflects a proposed mid-year increase of approximately \$8.5M based on the latest tax ledger data provided by the County Auditor-Controller.

- **Public Utility, Unsecured, Homeowners Property Tax Relief, and Supplemental Delinquent Taxes** – All of these categories of property taxes are projected to remain constant during the forecast period.
- **State Reimbursements** – State reimbursements are expected to remain constant, pending more details from CAL FIRE.
- **Federal Reimbursements** – This revenue is projected to remain constant.
- **One-Time Grant/ABH/RDA Proceeds** – These are one-time only revenues that vary significantly from year to year and therefore are not forecasted beyond the current year. The FY 2014/15 budget was increased by approximately \$7.4M for increases in grants and assistance by hire.
- **Community Redevelopment Agency Pass-thru Revenue** – RSG completed a Redevelopment Area Excess Revenue Analysis of pass-thru and residual revenues from the dissolution of the redevelopment agencies dated 4/2/2014. The forecast figures come from this report.
- **Cash Contracts** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments and year-over-year changes are estimated between 2.0% and 4.5% per year, with a 4.5% cap. In addition, this revenue category includes estimated John Wayne Airport contract proceeds with an annual 4% increase cap, which is projected to continue through the forecast period.
- **Community Risk Reduction Fees** – There is a proposed mid-year adjustment to revise FY 2014/15 revenue downward by a net approximately \$892K due to a newly adopted fee schedule. Community Risk Reduction fees Community risk reduction fees are

projected to remain constant through the forecast period, pending any changes approved by the Board.

- **ALS Supplies & Transport Reimbursements** – This revenue is estimated to remain flat, pending any changes approved by the Board.
- **Interest Earnings** – Assumes an annual return of 0.25% for FY 2014/15, 1.00% for FY 2015/16, 1.50% for FY 2016/17 and 2.00% for FY 2017/18 and FY 2018/19. Interest earnings in FY 2014/15 include earnings from the reinvestment of TRAN proceeds.
- **Other Revenue** – This revenue source includes various items such as reimbursements for training and cost recovery for the firefighter handcrew.

General Fund Expenditures

- **Salaries & Employee Benefits** – S&EB is composed of the following factors and reflects an estimated \$1.4M net increase in annual costs resulting from the latest Firefighter MOU and an approximate \$1.3M increase spread over four years based on the latest OCEA MOU that is pending approval:
 - ✓ **New Positions for New Stations** – Fire Station #56 (Village of Sendero) is anticipated to be operational on 7/1/2015 and a new Rancho Mission Viejo station is expected to open on 7/1/2019. The forecast also assumes that four positions for a Station 20 Truck will be unfrozen 7/1/2017.
 - ✓ **Employee Salaries** – Salaries reflect an increase for the Firefighter MOU and anticipated OCEA MOU impacts. The forecast does not contain estimated increases based on the “trigger” formula. In addition, salary increases are not projected for the years that follow expiration of the current MOUs.
 - ✓ **Retirement** – Retirement costs reflect a downward adjustment for the Firefighter MOU and anticipated OCEA MOU impacts due to increasing employee retirement contributions. Retirement costs reflecting the projected employer retirement rates are based on the initial December 31, 2013 Actuarial Valuation Report prepared by Segal Consulting and provided by OCERS on 5/10/2014. FY 2015/16 rates in the 12/31/2013 valuation are 1.03% lower for non-safety and 2.06% lower for safety compared to the projected rates for FY 2015/16 presented in the Segal Study dated 8/30/2013.

FY	Safety	General	Source
2014/15	49.66%	36.35%	12/31/2013 Actuarial Valuation Report
2015/16	49.84%	37.07%	
2016/17	49.54%	36.87%	Segal Report Dated 8/30/2013, adjusted by savings factor from 12/31/2013 Actuarial Valuation Report
2017/18	49.34%	36.77%	
2018/19	48.34%	36.17%	

The forecast includes the \$18.3 million paydown of the UAAL that occurred early in FY 2014/15. The forecast also assumes an additional \$3 million lump sum payment from unencumbered fund balance carried over from FY 2013/14.

In accordance with a September 2013 board action, outer years of the forecast include projected UAAL paydowns based on retirement rate savings and an additional \$1 million per year for five years beginning in FY 2016/17.

- ✓ **Workers' Compensation** – FY 2014/15 continues the “stair-step” up to the 60% confidence level for ongoing Workers' Compensation costs as set by the Board of Directors. The 60% confidence level will be maintained going forward. Workers' Compensation costs in the forecast period are based on projected payments in the Rivelle Consulting Services July 2014 Study less \$100,000 in savings in FY 2015/16 and \$150,000 in savings in FY 2016/17 and thereafter due to implementation of Alternative Dispute Resolution.
- ✓ **Other Insurance** – Medical insurance rates for firefighters are assumed to grow annually by 9%. For staff members, it is projected to grow by 10% annually. This category also includes \$30,000 for unemployment insurance in FY 2014/15.
- ✓ **Medicare** – Annual amounts are calculated at 1.45% of projected salaries.
- **One-Time Grant/ABH Expenditures** – These are one-time only expenditures that vary significantly from year to year and therefore are not forecasted beyond FY 2014/15.
- **Services and Supplies (S&S)** – S&S is held flat unless a new fire station is built, specific increases have been identified by section managers, or one-time grant proceeds have been received.

Net General Fund Revenue

This figure equals the General fund Revenue minus the General Fund Expenditures.

Incremental Increase in General Fund 10% Contingency:

This is the amount needed to add to the General Fund 10% Contingency each year to maintain this category of fund balance at the required policy level of 10% of General Fund expenditures (less one-time expenditures).

Equity Payments

Equity Payments for FY 2014/15 are calculated based on procedures set forth in the Second Amendment to the Joint Powers Agreement which references various reports produced by the County Auditor Controller's office. Equity payments in outer years are projected based on property tax growth forecasts in RSG's Final 2014 Report. Pursuant to the Second Amendment to the Joint Power Agreement, if there are insufficient funds to make Irvine Equity Payments in FY 2014/15 and/or FY 2015/16, a portion of the Irvine Equity Payment may be deferred for two years. The Adopted Budget assumed that a portion of the Irvine payment would be deferred in FY 2014/15 and FY 2015/16. Due to higher than anticipated property tax revenue, the forecast now assumes no deferral of equity payments, however the payments will be accrued and held in an internal Equity Payment holding account pending resolution of the appeal of the invalidation ruling.

General Fund Surplus/(Deficit):

This figure is equal to the Net General Fund Revenue less the incremental increase in the General Fund 10% Contingency. In years when there is a surplus, the amount is transferred to the General Fund Cash Flow (OCERS Pre-Pay) or to the CIP funds. In years when there is a deficit, the deficit amount must be drawn from the Cash Flow, then the 10% Contingency, and once those are exhausted, from fund balance for CIP.

Capital Improvement Program/Other Funds Revenue:

- ***Interest Earnings*** – Assumes an annual return of 0.25% for FY 2014/15, 1.00% for FY 2015/16, 1.50% for FY 2016/17 and 2.00% for FY 2017/18 and FY 2018/19.
- ***State/Federal Reimbursement*** – The forecast assumes \$252K in grant revenue for purchase of a generator and backup power for FS 41 and well as \$873K in rebudgets for a Community Development Block Grant in FY 2014/15.
- ***Cash Contracts*** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments.
- ***Developer Contributions*** – In 2014/15, Fire Station #56 (Village of Sendero) construction and apparatus will be funded by developer contributions. The forecast also assumes developer contributions will be used to fund a truck for Station 20 in FY 2016/17 and various vehicles for Rancho Mission Viejo Station #67 in FY 2017/18.
- ***Workers' Compensation Transfer*** – These amounts equal the General Fund Workers' Compensation budget.
- ***Operating Transfer In*** – This figure equals the Operating Transfer Out from the General Fund.

Capital Improvement Program/Other Funds Expenditures:

Expenditures for each CIP fund are based on the CIP Budget.

- ***Structural Fire Fund Entitlement (Fund 171)*** – Remaining funds will be expended through the forecast period.
- ***Self-Insurance Fund (Fund 190)*** – FY 2014/15 expenditures reflect a proposed decrease of approximately \$3.8M based on the July 2014 Rivelle Consulting actuarial study. Self-Insurance fund expenditures in the forecast period are based on projected payments in the Rivelle Consulting Services July 2014 Study.

Fund Balances:

- ***Operating Contingency*** – Reflects policy of 10% of the General Fund expenditures each year (less one-time expenditures and equity payments). General Fund deficits (if applicable) are deducted from this category of fund balance once the Cash Flow fund balance is exhausted.
- ***Cash Flow*** – The fund balance for the previous year, reduced by any General Fund deficits (if applicable). Any available fund balance at the end of FY 2013/14 is

transmitted to OCERs in FY 2014/15 to paydown OCFA's unfunded pension liability pursuant to a side letter agreement to the MOU between OCFA and the Orange County Professional Firefighters Association.

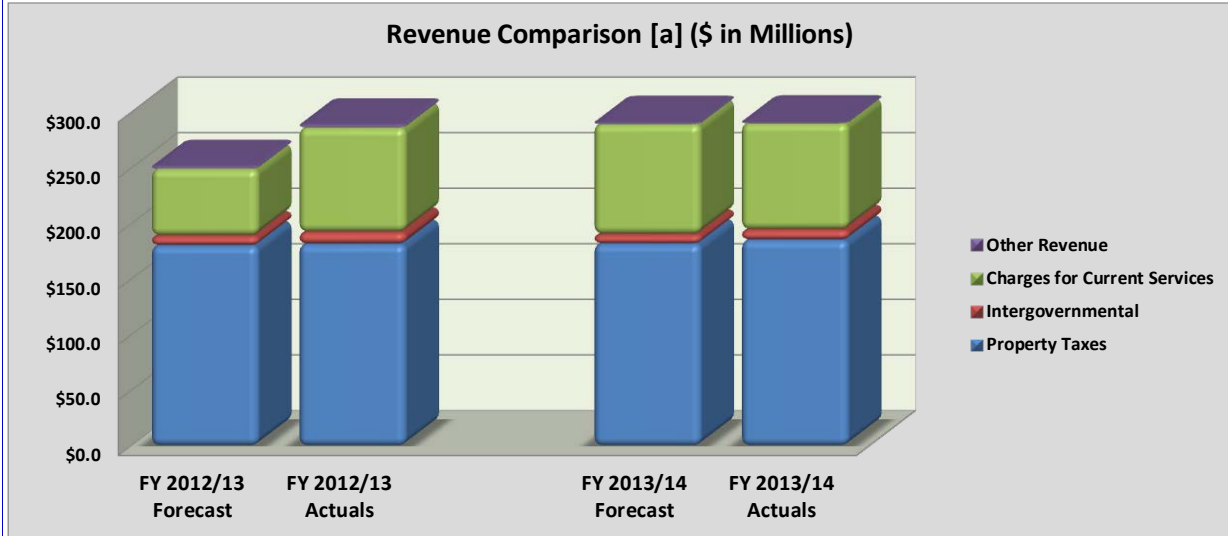
Assigned Fund Balances

- ***Self-Insurance Fund (Fund 190)*** – Funding is set aside for Workers' Compensation outstanding claims at the 50% confidence level per Board policy. The required amount is based on the actuarial report for Estimated Outstanding Losses as of the last full fiscal year prior to report issuance. The required funding levels are maintained by retaining funds in fund balance that reflect the difference between the workers' compensation transfer and Fund 190 expenditures.
- ***Capital Improvement Program*** – This fund balance includes funding for future capital replacements and is reduced annually by the cost of capital assets and increased in years when there are Operating Transfers into the CIP.

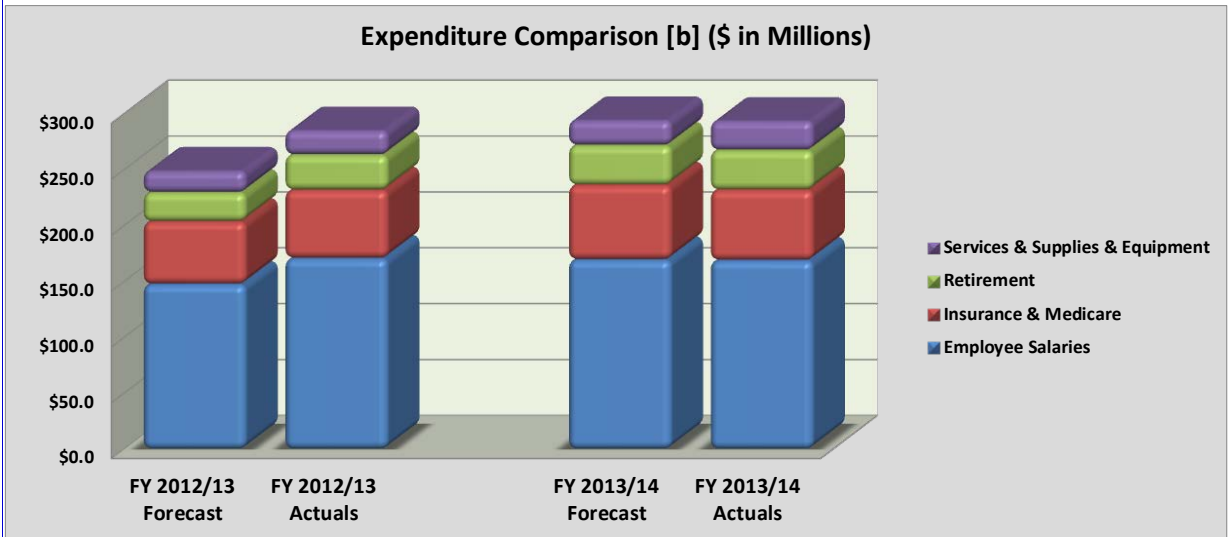
2014 Trend Analysis: Summary of 2-Year Forecast vs. Adjusted Actuals

Comparison of 2012/13 Forecast as Presented in 2011/12 Adopted Budget to 2012/13 Actuals
and

Comparison of 2013/14 Forecast as Presented in 2012/13 Adopted Budget to 2013/14 Actuals



[a] Actual revenue adjusted for one-time sources not forecasted such as assistance by hire revenue, grant revenue, and one-time revenue associated with RDA dissolutions. See Exhibit D - 2-Year Forecast vs. Actuals Detail. Difference between forecast and actuals in FY 2012/13 primarily due to Santa Ana joining OCFA.



[b] Actual expenditures adjusted for one-time items not forecasted such as Santa Ana start-up costs and grant expenditures. See Exhibit D - 2-Year Forecast vs. Actuals Detail. Difference between forecast and actuals in FY 2012/13 primarily due to Santa Ana joining OCFA.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 22, 2015

Agenda Item No. 5E
Discussion Calendar

Board Member Requests for Legal Services

Contact(s) for Further Information

David Kendig, General Counsel

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714.415.1083

Summary

This item is submitted to obtain policy guidance from the Board regarding when individual Board members may direct questions to General Counsel.

Prior Board/Committee Action

Not applicable.

Recommended Action(s)

1. Provide policy direction that individual members of the Board may communicate questions directly to General Counsel when: (a) the inquiry relates to OCFA business, and (b) it appears likely that it will require fifteen (15) minutes or less of legal services to respond.
2. Direct that, as to those inquiries from individual Board members that appear likely to require more than fifteen (15) minutes of legal services to respond, the Board member may either:
 - a. When time allows, request the Chair of the Board to place an item on the next Executive Committee or Board Agenda to consider whether to authorize General Counsel to perform the legal services; or
 - b. When it would frustrate the purpose of the Board Member's request to postpone the legal services until after the next meeting, submit the item to the Chair of the Board to determine whether to authorize the performance of the services.

Impact to Cities/County

This agreement has no negative impacts to any of the OCFA member cities or the County.

Fiscal Impact

This item may result in an unknown reduction in legal fees to OCFA depending on future usage, and authorizations for use, of legal services.

Background

General Counsel is retained by the Board of Directors to provide legal services to the OCFA. Part of that function has included responding to questions from individual members of the Board. Many individual members of the Board have contacted General Counsel with questions at various times.

General Counsel, OCFA staff, and the Board itself usually benefit from advance communication between legal counsel, staff and Board members about issues that are likely to be discussed at Board meetings because it enables research and preparation in advance of meetings, which in turn allows the meetings themselves to be better informed. And in many cases General Counsel can respond to questions immediately or with a few minutes of research. For these reasons it is

recommended that a policy be established that Board member consultations that require 15 minutes or less to respond to may be made without further approvals.

Indeed, given General Counsel's belief in the vital importance of encouraging free and early communication about matters of concern to individual Board members, General Counsel will not charge the Authority for brief phone calls, emails, or other messages from any individual Board members when the matter requires only a few minutes to respond to.

However, Board member requests may occasionally call for significant legal research, and in those cases it may require judgment whether the legal service are warranted in light of the potential cost of services involved. In those cases, the full Board or its Executive Committee may prefer to be consulted about whether to perform the legal services, when time allows.

Frequently, however, it is not practical to await Board or Executive Committee direction to determine whether General Counsel should prepare a response. For instance, questions are often posed by Board members about agenda items *during the same week that the Board will consider the item*, so there is not time to consult with the Board about whether to prepare a response before the information is needed. In those situations, staff recommends that the Board Chair be given authority to determine whether legal counsel should proceed to respond to the question.

Attachment(s):

None.