

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting
Wednesday, January 14, 2015
12:00 Noon

Regional Fire Operations and Training Center
Room AE117
1 Fire Authority Road
Irvine, CA 92602

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on January 14, 2015, at 12:00 p.m. by Vice Chair McCloskey.

PLEDGE OF ALLEGIANCE

Vice Chair McCloskey led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present:

Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Elizabeth Swift, Buena Park

Absent:

Sam Allevato, San Juan Capistrano

Also present were:

Fire Chief Jeff Bowman	Assistant Chief Mike Schroeder
Assistant Chief Lori Smith	Assistant Chief David Thomas
Assistant Chief Brian Young	Assistant Chief Lori Zeller
General Counsel David Kendig	Communications Director Sandy Cooney
Human Resources Director Jeremy Hammond	Clerk of the Authority Sherry Wentz

ELECTION OF CHAIR AND VICE CHAIR (F: 12:02B1)

On motion of Director Swift and second by Director Murray, the Committee voted to elect Jerry McCloskey as Chair of the Budget and Finance Committee for the ensuing term.

On motion of Director Murray and second by Director McCloskey, the Committee voted to elect Sam Allevato as Vice Chair of the Budget and Finance Committee for the ensuing term.

PUBLIC COMMENTS (X: 12.02B3)

Chair McCloskey opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, commented on the lack of response by OCFA's audit firm LSL regarding his request for working documents associated with the Procurement Audit and his continued concern regarding the OCFA procurement process. He requested the Budget and Finance Committee look into the denial of records by LSL. (F: 15.02A1) (X: 14.05B1a)

Chair McCloskey closed the Public Comments portion of the meeting.

2. MINUTES

A. Minutes for the November 5, 2014, Budget and Finance Committee Meeting (F: 12.02B2)

On motion of Director Murray and second by Director Swift, the Committee voted to approve the Minutes of the November 5, 2014, Budget and Finance Committee Meeting, as submitted.

3. CONSENT CALENDAR

Agenda Item Nos. 3B and 3C were pulled from the Consent Calendar for separate consideration.

A. Monthly Investment Reports (F: 11.10D2)

On motion of Director Swift and second by Director Murray, the Committee voted to direct staff to place the item on the agenda for the Executive Committee meeting of January 15, 2015, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Quarterly Status Update – Orange County Employees' Retirement System (F: 17.06B)

Director Murray pulled this item for clarification on the OCER's staff recommendation to place PIMCO on watch as a result of personnel and organizational changes.

On motion of Director Murray and second by Director Swift, the Committee voted unanimously to receive and file the report.

C. Updated Broker/Dealer List (F: 11.10D4)

This item was pulled by a member of the public for separate consideration.

Treasurer Tricia Jakubiak provided a detailed report regarding the proposed Broker/Dealer List.

Stephen Wontrobski, Mission Viejo resident, spoke on his opposition to the updated OCFA broker/dealer list.

On motion of Director Murray and second by Director Swift, the Committee voted unanimously to receive and file the report and directed staff to place the item on the agenda for the Executive Committee meeting of January 15, 2015, with the Budget and Finance Committee's recommendation that the Executive Committee approve the proposed Broker/Dealer List to include the following three firms:

- FTN Financial
- Raymond James
- UBS Financial Services

4. DISCUSSION CALENDAR

A. FY 2014/15 Mid-Year Financial Report (F: 15.04 14/15)

Assistant Chief Zeller provided a PowerPoint presentation on the FY 2014/15 Mid-Year Financial Report.

On motion of Director Murray and second by Director Swift, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of January 22, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors approve the recommended actions listed below.

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 any remaining funds 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.

B. Internal Control Review of Capital Assets and Inventory Control (F: 15.02A1)

Assistant Chief Zeller introduced Finance Manager Jim Ruane who introduced Bryan Gruber, CPA, with LSL who provided a report on the Internal Control Review of Capital Assets and Inventory Control.

On motion of Director Murray and second by Director Swift, the Committee voted unanimously to:

1. Receive and file the attached Independent Auditors' Report of Internal Controls on Procurement/Disbursement Practices related to the Capital Assets and Inventory Control.
2. Direct staff to implement the corrective actions as stated in the report.

C. OCFA 2015 Grants Priorities (F: 11.10G)

Communications Director Sandy Cooney introduced Legislative Analyst Jay Barkman, who provided a report on the OCFA's 2015 Grants Priorities.

On motion of Director Murray and second by Director Swift, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of January 22, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors approve OCFA's grant priorities for 2015.

REPORTS

There were no items to report.

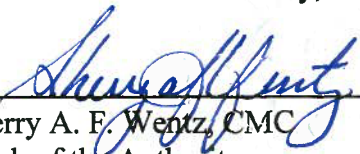
COMMITTEE MEMBER COMMENTS (F: 12.02B4)

Director Murray commended the OCFA for the response on a condo fire in the City of Tustin that morning.

Director Swift requested follow-up regarding LSL's working documents associated with the procurement audit.

Chair McCloskey thanked Division Chief Bryan Brice for his attentiveness to a commendation request in the City of Laguna Niguel.

ADJOURNMENT – Chair McCloskey adjourned the meeting at 1:13 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, February 11, 2015, at 12:00 noon.



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