

MINUTES ORANGE COUNTY FIRE AUTHORITY

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

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

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present:

Gerard Goedhart, La Palma
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Elizabeth Swift, Buena Park
Tri Ta, Westminster

Absent:

Gene Hernandez, Yorba Linda
Todd Spitzer, County of Orange

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Zeller
Assistant Chief Brian Young
Assistant Chief Lori Smith
Ex Officio Bruce Channing

Assistant Chief David Thomas
General Counsel David Kendig
Human Resources Director Jeremy Hammond
Communications Director Sandy Cooney
Clerk of the Authority Sherry Wentz

1. PRESENTATIONS

No items.

PUBLIC COMMENTS (F: 12.02B3)

Chair McCloskey opened the Public Comments portion of the meeting. Chair McCloskey closed the Public Comments portion of the meeting without any comments.

2. MINUTES

A. Minutes for the April 8, 2015, Budget and Finance Committee Meeting (F: 12.02.B2)

On motion of Director Ta and second by Vice Chair Swift, the Committee voted to approve the Minutes of the April 8, 2015, Budget and Finance Committee meeting, as submitted. Director Goedhart was recorded as an abstention, due to his absence from the meeting. Director Murray was absent for the vote.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion of Director Goedhart and second by Director Ta, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of May 21, 2015, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports. Director Murray was absent for the vote.

B. Third Quarter Financial Newsletter (F: 15.07)

On motion of Director Goedhart and second by Director Ta, the Committee voted to direct staff to place the item on the agenda for the Executive Committee meeting of May 21, 2015, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report. Director Murray was absent for the vote.

4. DISCUSSION CALENDAR

A. Communication with Auditors for Fiscal Year 2014/15 Financial Audit (F: 15.02B)

Assistant Chief Lori Zeller introduced General Accounting Manager Tammie Pickens who introduced Audit Manager Jon Dennis from Lance, Soll & Lunghard, LLP, who provided an update on the Fiscal Year 2014/15 Financial Audit and upcoming changes to financial statement reporting.

Minutes

OCFA Budget and Finance Special Meeting

May 14, 2015 Page - 2

On motion of Director Ta and second by Vice Chair Swift, the Committee voted to receive and file the report as submitted. Director Murray was absent for the vote.

B. Approval of 2015 Tax and Revenue Anticipation Notes (F: 15.10E)

Treasurer Tricia Jakubiak provided a PowerPoint presentation on Tax and Revenue Anticipation Notes.

Director Murray arrived at this point (12:14 p.m.)

Stephen Wontrobski, Mission Viejo resident, spoke in opposition to the item addressing market rates, added costs from salaries of OCFA employees, and asked if UBS was involved.

Committee discussion ensued regarding use of staff time and resources, and regarding the amount requested.

On motion of Director Ta and second by Vice Chair Swift, the Committee voted to direct staff to place the item on the agenda for the Board of Directors meeting of May 28, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Adopt the proposed Resolution authorizing the issuance of the 2015-2016 Tax and Revenue Anticipation Notes.
2. Approve and authorize the temporary transfer of up to \$11,000,000 from Fund 123 (Fire Stations and Facilities) to Fund 121 (General Fund) to cover a projected temporary cash flow shortfall for FY 2015/16.
3. Approve and authorize the repayment of \$11,000,000 borrowed funds from Fund 121 to Fund 123 along with interest when General Fund revenues become available in FY 2015/16.

C. Rosenow Spevacek Group, Inc. (RSG) Final Property Tax Revenue Projections (F: 15.10)

Budget Analyst Stuart Lam presented the staff report.

On motion of Director Ta and second by Vice Chair Swift, the Committee voted to receive and file the report.

D. Review of the Fiscal Year 2015/16 Proposed Budget (F: 15.04 15/16)

Assistant Chief Lori Zeller presented the budget overview.

Stephen Wontrobski, Mission Viejo resident, addressed concerns about liability assumptions and inequitable costs for contract cities versus non-contract cities.

Committee discussion ensued regarding workers' compensation and authorizing the addition of slides for the Board presentation relating to workers' compensation funding and liabilities.

On motion of Vice Chair Swift and second by Director Murray, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of May 28, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Adopt the FY 2015/16 Proposed Budget.
2. Adopt the proposed Resolution.
3. Direct staff to amend the Master Position Control to add positions, as further described in the FY 2015/16 Proposed Budget, including 9 Firefighters, 3 Dispatchers, 2 Senior IT Analysts, 1 Senior Fire Apparatus Technician, 1 Delivery Driver, and 1 part-time HR Analyst.
4. Approve and authorize a change to OCFA's workers' compensation funding policy to establish the annual budget using the 50% confidence level provided by the independent actuary, rather than the former 60% confidence level.
5. Approve and authorize a FY 2014/15 budget adjustment to transfer \$2,936,970 in budgeted expenditures from the Capital Project Funds to the General Fund, including the General Fund CIP Fund; transfer \$401,063.16 in "rolled" project budgets and expenditures which represent encumbrances from previous fiscal years; and to reduce transfers out of the General Fund by \$1,133,712 as a result of these budget transfers.

REPORTS

No items.

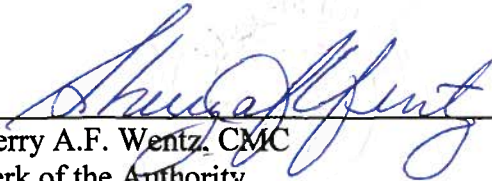
COMMITTEE MEMBER COMMENTS (F: 12.02B4)

Vice Chair Swift reported attending the Fire/EMS deployment presentation and expressed appreciation of staff's work for the informative demonstration.

Chair McCloskey reported observing firefighters training at Laguna Niguel Lake.

Director Murray reported attending Fire/EMS deployment presentation, thanked staff for their work, and suggested city managers would benefit from a demonstration.

ADJOURNMENT – Chair McCloskey adjourned the meeting at 1:44 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, June 10, 2015, at 12:00 noon.



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