

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting

May 11, 2016

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 May 11, 2016, at 12:00 p.m. by Chair McCloskey.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present:

Gene Hernandez, Yorba Linda
Al Murray, Tustin
Jerry McCloskey, Laguna Niguel
Ed Sachs, Mission Viejo
Elizabeth Swift, Buena Park
Tri Ta, Westminster

Absent:

None

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Smith
Assistant Chief Brian Young
Communications Director Sandy Cooney
Ex-Officio Bruce Channing

Assistant Chief Mike Schroeder
Assistant Chief Dave Thomas
Assistant Chief Lori Zeller
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.

Stephen Wontrobski, Mission Viejo resident, addressed his continued concerns with audit firm Lance, Soll, and Lunghard (LSL) and provided the Committee with a list of concerns.

Chair McCloskey closed the Public Comments portion of the meeting.

2. MINUTES

A. Minutes for the April 13, 2016, Budget and Finance Committee Meeting (F: 12.02B2)

On motion of Director Murray and second by Director Ta, the Committee voted unanimously by those present to approve the Minutes for the April 13, 2016, Budget and Finance Committee meeting, as submitted.

Director Hernandez was recorded as an abstention due to his absence from the meeting.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion of Vice Chair Swift and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of May 26, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Third Quarter Financial Newsletter (F: 15.07)

On motion of Vice Chair Swift and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of May 26, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

4. DISCUSSION CALENDAR

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

Assistant Chief Lori Zeller introduced Budget Analyst Stuart Lam who provided a PowerPoint Presentation on the Rosenow Spevacek Group, Inc. Final Property Tax Revenue Projections.

On motion of Director Hernandez and second by Director Ta, the Committee voted unanimously by those present to receive and file the report.

B. Review of the Fiscal Year 2016/17 Proposed Budget (F: 15.04 16/17)

Assistant Chief Lori Zeller provided a PowerPoint Presentation on the Fiscal Year 2016/17 Proposed Budget.

There was an amendment to the recommended action to include the following action:

1. Conduct a Public Hearing

On motion of Director Ta and second by Director Murray, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of May 26, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

- 1. Conduct a Public Hearing**
- 2. Adopt the submitted FY 2016/17 Proposed Budget.**
- 3. Adopt proposed Resolution entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS ADOPTING AND APPROVING THE APPROPRIATIONS BUDGET FOR THE ORANGE COUNTY FIRE AUTHORITY FOR FISCAL YEAR 2016/17.**
- 4. Approve and authorize the temporary transfer of up to \$45.6 million to the General Fund (Fund 121) from the following Capital Improvement Program (CIP) Funds to cover a projected temporary cash flow shortfall for FY 2016/17 due to timing differences between the receipt of tax revenues and the payment of expenditures:**
 - Fund 123 Fire Stations and Facilities - \$14.0 million**
 - Fund 124 Communications and Information Systems - \$13.3 million**
 - Fund 133 Fire Apparatus - \$18.3 million**
- 5. Approve and authorize the repayment of \$45.6 million borrowed funds from Fund 121 to the above CIP Funds, along with interest, when General Fund revenues become available in FY 2016/17.**
- 6. Approve and authorize a FY 2015/16 budget adjustment to increase General Fund revenues by \$266,787 and decrease appropriations by \$8,033,620.**

C. Fiscal Year 2014/15 Backfill/Overtime and Calendar Year 2015 Total Earnings/Compensation Analysis (F: 18.13)

Assistant Chief Lori Zeller introduced Finance Manager/Auditor Jim Ruane who provided a PowerPoint presentation on the FY 2014/15 Backfill/Overtime and Calendar Year 2015 Total Earnings/Compensation Analysis.

On motion of Director Murray and second by Vice Chair Swift, the Committee voted unanimously by those present to place the item on the agenda for the Board of Directors meeting of May 26, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Direct staff to continue working towards an ability to fill 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.

D. Financial Audit Discussion with Lance, Soll, and Lunghard

Assistant Chief Lori Zeller introduced Rich Kikuchi, LSL Partner, who provided an update on the current Financial Audit.

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


REPORTS (F: 12.02B6)

There were no items to report.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

There were no comments by the Committee members.

ADJOURNMENT – Chair McCloskey adjourned the meeting at 1:50 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, June 8, 2016, at 12:00 noon.



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