



ORANGE COUNTY FIRE AUTHORITY AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Thursday, January 25, 2024
6:00 P.M.

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

Link to:

[Board of Directors Member Roster](#)

NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

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

In Person Comments at Meeting: Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Committee on items within their 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 Committee and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

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

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

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the board members after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



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

CALL TO ORDER by Chair Rossini

INVOCATION by OCFA Chaplain Jeff McKee

PLEDGE OF ALLEGIANCE by Director Gamble

ROLL CALL by Clerk of the Authority

REPORTS

A. Report from Budget and Finance Committee Chair O’Neill

B. Report from the Fire Chief

- 2023 Year in Review Operations
 - Video
- Cancer Awareness Month
- Spark of Love
- 2023 Year in review Corporate Communications
 - Video
- Open House 2024

PUBLIC COMMENTS

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

1. PRESENTATIONS

A. Administer the Oath of Office to Mike Frost, representing the City of Dana Point

B. Presentation of Badges to US&R Canines

2. CONSENT CALENDAR

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

A. Minutes for the Board of Directors Meeting

Submitted by: Maria D. Huizar, Clerk of the Authority

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Recommended Action:

Approve the Minutes for the November 16, 2023, Regular Meeting as submitted.

B. FY 22 State Homeland Security Grant Funding Grant for All Hazard-All Risks Regional Training and Hazardous Materials Support Vehicle

Submitted by: TJ McGovern, Deputy Chief/Emergency Operations Bureau and Nick Freeman, Division Chief

On January 10, 2024, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Board of Directors agenda by a vote of 8-0 (Director Gabbard absent).

Recommended Action:

Approve a budget adjustment in Fund 121 to increase revenue and expenditures by ~~\$2~~+80,000 for the grant program award.

C. Proclamation for National Burn Awareness Week

Submitted by: Matt Olson, Director of Communications/ Corporate Communications and Sophia Champieux, Public Relations Manager/Corporate Communications

Recommended Action:

Approve proclamation designating February 4-10, 2024 as Burn Awareness Week.

D. FY 2023/2024 Mid-Year Financial Report

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak,/Treasurer/Treasury & Financial Planning and Stuart Lam, Budget Manager/Treasury & Financial Planning

On January 10, 2024, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Board of Directors agenda by a vote of 8-0 (Director Gabbard absent).

Recommended Action:

Receive and file report and direct staff to return to the Board of Directors on March 28, 2024 for approval of the budget adjustments discussed herein for the FY 2023/24 budget.

3. DISCUSSION CALENDAR

A. Election of Board Chair and Vice Chair

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

Recommended Action:

Elect a Chair and Vice Chair for 2024.

RECESS TO CLOSED SESSION

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

CS1. CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION pursuant to paragraph (2) and (3) of subdivision (d) of Section 54956.9 of the Government Code: One (1) Case

CS2. CONFERENCE WITH LEGAL COUNSEL – POSSIBLE INITIATION OF LITIGATION pursuant to paragraph (4) of subdivision (d) of Section 54956.9 of the Government Code: One (1) Case

CS3. CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6

Negotiators: Peter Brown, Liebert Cassidy Whitmore; Stephanie Holloman, Assistant Chief/Human Resources Director and Lori Zeller, Deputy Chief/Administration & Support Bureau

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

RECONVENE TO OPEN SESSION

CLOSED SESSION REPORT by General Counsel

BOARD MEMBER COMMENTS

ADJOURNMENT – The next meeting of the Orange County Fire Authority Board of Directors will be on Thursday, February 22, 2024, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

Maria D. Huizar, CMC
Clerk of the Authority

FUTURE BOARD AGENDA ITEMS – THREE-MONTH OUTLOOK:

- Fire Station 41 Air Field Upgrades
- OCFA JPA Study Session
- Long-Term Liability Study & Accelerated Pension Paydown Plan
- Annual Grants Priorities
- CIP Prefunding Policy Discussion
- Mid-Year Budget Adjustments
- Wildland Resource Center (Camp 18) Site Selection
- Award a contract for Training Grounds Phase 1

UPCOMING MEETINGS:

Human Resources Committee
Operations Committee
Budget & Finance Committee
Executive Committee
Board of Directors

Tuesday, February 6, 2024, 12 noon
Tuesday, February 13, 2024, 12 noon
Wednesday, February 14, 2024, 12 noon
Thursday, February 22, 2024, 5:30 p.m.
Thursday, February 22, 2024, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, November 16, 2023
6:00 P.M.**

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on November 16, 2023, at 6:03 p.m. by Chair Vince Rossini.

INVOCATION

The Invocation was led by Chaplain Brett Peterson.

PLEDGE OF ALLEGIANCE

Director Chun led the assembly in the Pledge of Allegiance.

ROLL CALL

Vince Rossini, Villa Park, Chair
Troy Bourne, San Juan Capistrano
Chris Duncan, San Clemente
John Gabbard, Dana Point
Noel Hatch, Laguna Woods
Anne Hertz-Mallari, Cypress
Joe Kalmick, Seal Beach
Dave Shawver, Stanton
Mark Tettermer, Lake Forest

John O'Neill, Garden Grove, Vice Chair
Ross Chun, Aliso Viejo
Katrina Foley, County of Orange
Carol Gamble, Rancho Santa Margarita
Gene Hernandez, Yorba Linda
Austin Lombard, Tustin
Bob Ruesch, Mission Viejo
Joshua Sweeney, Laguna Hills
Connor Traut, Buena Park

Absent:

Phil Bacerra, Santa Ana
Kelly Jennings, Laguna Niguel
Chi Charlie Nguyen, Westminster
Nitesh Patel, La Palma

Shelley Hasselbrink, Los Alamitos
Donald P. Wagner, County of Orange
Tammy Kim, Irvine

Also present were:

Fire Chief Brian Fennessy
Deputy Chief TJ McGovern
Assistant Chief Lori Smith
Assistant Chief Jim Ruane
Assistant Chief Shane Sherwood
Director of Communications Matt Olson
General Counsel David Kendig

Deputy Chief Lori Zeller
Assistant Chief Robert Cortez
Assistant Chief Rob Capobianco
Assistant Chief Tim Perkins
Assistant Chief Stephanie Holloman
Clerk of the Authority Maria D. Huizar

REPORTS

A. Report from Budget and Finance Committee Chair

Budget and Finance Committee Chair O'Neill reported at its November 8, 2023, meeting, the Committee recommended by a unanimous vote to forward the following items to the Board of Directors for consideration and approval of the recommended actions: Updated Cost Reimbursement Equipment Rates, Organizational Service Level Assessment Update, Approval of Annual Statement of Investment Policy, Broker/Dealer List and Investment Authorization, Audited Financial Reports for the Fiscal Year Ended June 30, 2023, and; Quick Reaction Force (QRF) Program.

B. Report from Human Resources Committee Chair

Human Resources Committee Chair Kalmick reported at its November 7, 2023, meeting, the Committee reviewed the Amendments to the Personnel & Salary Resolution and voted unanimously to forward the item to the Board of Directors for approval of the amendments to reflect a range adjustment in the salary for the classification of Director of Communications.

C. Report from the Fire Chief

Fire Chief Fennessy in remembrance honored all military veterans on Veteran's Day, he noted OCFA has many former military who serve as OCFA firefighters and the Orange County Register Newspaper's reporter Erika Ritchie developed a feature regarding OCFA firefighters that was published in the OC Register's Veterans Day edition. Chief Fennessy also attended a press conference with Tustin Mayor Lombard after the Tustin Hangar Incident; where the historic 17-story hangar burned to the ground. It took air operations at night, three-helicopter attacks, and multiple apparatus to aid in the firefight. Thanks are given to County Supervisors Wagner and Foley with their collaborative work to navigate this unprecedented incident. OCFA will hold its annual Christmas Tree burn press conference on December 20th and will share safety messages with the public via social media platforms. The OCFA has kicked off its annual Spark of Love Holiday Toy Drive, and as a busy time of year, give thanks to the firefighters and dispatchers serving the Orange County residents. At the end of this year OCFA will have responded to approximately 180,000 calls with over a quarter of a million fire unit responses.

PUBLIC COMMENTS

Greg Tross, Tustin resident, addressed the need for transparency and better communication regarding the Tustin Hangar fire. He further expressed concerns regarding the flare ups.

1. PRESENTATION

A. Recognition of GFOA Annual Comprehensive Financial Report Award

Board Chair Rossini, Fire Chief Fennessy and Assistant Chief Cortez presented the annual certificate of the Comprehensive Financial Report Award (GFOA) to the Finance Division.

It is the highest form of recognition for excellence in state and local government in the area of governmental accounting and financial reporting, and OCFA has been awarded this for the 25th consecutive year.

2. CONSENT CALENDAR

On motion of Director Shawver and second by Director Tetteimer approved unanimously 17-0 Agenda Item Nos. 2A-2C and 2E-2H, (Directors Hasselbrink, Bacerra, Jennings, Patel, Foley, Nguyen, Wagner and Kim absent). Agenda Item 2D was pulled for separate consideration.

A. Minutes for the Board of Directors Meeting (FILE 11.06)

Action: Approve the Minutes for the October 26, 2023, Regular Meeting as submitted.

B. 2024 Board Meetings Schedule (FILE 11.05)

Action: Adopt Resolution 2023-06 entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS ESTABLISHING THE REGULAR MEETING DATES FOR CALENDAR YEAR 2024.

C. Updated Cost Reimbursement Equipment Rates (FILE 15.12)

Action: Approve and adopt the proposed Cost Reimbursement Equipment Rate schedule to be effective October 1, 2023 per Cal OES and FEMA.

D. Organizational Service Level Assessment Update (FILE 17.16)

Chris Hamm, President of Orange County Firefighters Local 3631, addressed his support of the Organizational Service Level Assessment, and future recommendations.

On motion of Vice Chair O'Neill and second by Chair Rossini, approved unanimously 17-0 (Directors Hasselbrink, Wagner, Nguyen, Bacerra, Jennings, Patel, Foley and Kim absent) to receive and file the Organizational Service Level Assessment (SLA) update.

E. Approval of Annual Statement of Investment Policy, Broker/Dealer List and Investment Authorization (FILE 11.10D)

Action:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2024.
2. Review and approve the Broker/Dealer list for a term of three years through November 30, 2026.

3. 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, 2024.

F. Amendments to the Personnel & Salary Resolution (FILE 17.02)

Action: Approve the amendments to the Personnel & Salary Resolution, Resolution Part 3, Article 1, Section 6(B) – Range Adjustment, to reflect a change in the salary range for the classification of Director of Communications.

G. Audited Financial Reports for the Fiscal Year Ended June 30, 2023 (FILE 15.06)

Action:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation, and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

H. Quick Reaction Force (QRF) Program (FILE 18.09D)

Action:

1. Approve the Funding Agreement with Southern California Edison in the attached form to accept funding in the amount of \$16,007,672 to fund the fixed-cost portion of the 365-day 2024 Quick Reaction Force Program, with the option to renew for the 2025 Program year (pending SCE funding for 2025).
2. Approve and authorize the Purchasing Manager to enter into new QRF-related vendor contracts, in the forms attached by the individual amounts needed in support of the QRF Program so long as the aggregate value does not exceed the program budget (see table).
3. Approve and authorize a FY 2023/24 General Fund (121) budget adjustment to recognize 2024 Program funding from SCE for a revenue increase of \$16,007,672 and to increase appropriations by the same amount. The 2025 Program funding will be reflected in the 2024-25 budget if SCE exercises the option to renew funding.
4. Approve the updated Cost Reimbursement Rate schedule to include the CH-47 Very Large Helitanker, S-61 Helitanker, and S-76 Helitanker daily stand-by and hourly flight rates, and mobile fire-retardant plant daily stand-by and hourly rates, and hourly rates for Program Manager and Air Tactical Group Supervisors to be effective January 1, 2024.
5. Adopt an exemption from the California Environmental Quality Act (CEQA) pursuant to Title 14, California Code of Regulations, Section 15301 (Existing Facilities) and direct staff to file a Notice of Exemption.
6. Authorize the Fire Chief to approve non-substantive changes to the Agreements in items 1, 2 and 3 above, provided such changes are consistent with the purpose of the

- program described herein, do not increase the total cost of the program in either program year, and are in a form approved by General Counsel.
7. All the foregoing approvals and authorizations are conditional upon Consolidated Fire Protection District of Los Angeles County and Ventura County Fire Department approval of funding agreements with SCE for the 2024 Quick Reaction Force Program and related agreements.

I. Award of Public Works Contract for Fire Station 4 Restroom Remodel & Upgrades (FILE 19.07C4a)

Actions:

1. Approve the plans and specifications for restroom remodel and upgrades at OCFA Fire Station #4.
2. Accept Blackstone Builders Inc. bid dated September 18, 2023.
3. Approve and award the public works contract to Blackstone Builders, Inc. in the amount of \$1,301,593.

Director Foley arrived at 6:42 p.m.

3. DISCUSSION CALENDAR

A. Wildfire Resource Center (Camp 18) Site Selection (FILE 19.07C87)

On September 22, 2022, the Board of Directors approved the allocation of \$4.2M in State funding beginning in FY 2022/23 for an expanded Hand Crew program. On November 17, 2022, the Board of Directors approved an amendment to the 5-Year CIP to add \$16.9M in State funding for a new Wildland Resource Center to support the expanded Hand Crew program.

Assistant Chief Jim Ruane presented the Wildfire Resource Center (Camp 18) Site Selection.

Adam Atamian, Community Development Director for the city of San Clemente, thanked the Board for the time to speak, he is available for any questions regarding the development and timeline, and commended staff; they have done great work with the agenda item.

Victoria Hernandez, South Orange County Economic Coalition, spoke in support of the Rancho Mission Viejo site for the Wildfire Resource Center.

Jake Anderson, resident of Ladera Ranch, spoke in favor of the Rancho Mission Viejo site for the Wildfire Resource Center.

Adam Wood, Building Industry Association of Orange County, spoke in favor of the Rancho Mission Viejo site for the development of the Wildfire Resource Center.

Mike Balsamo, Rancho Mission Viejo Company, spoke on the operational advantages for the Wildfire Resource Center in Rancho Mission Viejo as it provides direct access to Ortega Highway, fully entitled site, flat 5-acres, land will be free to OCFA.

Chris Hamm, President, Orange County Firefighters, Local 3631, spoke in support of staffs modified recommendation.

George Boutros, Orange County Business Council, spoke in support of the Rancho Mission Viejo site for the Wildfire Resources Center.

Discussion ensued.

On a friendly amended motion of Director Hatch and second by Director Duncan, approved 18-0 (Directors Hasselbrink, Wagner, Nguyen, Bacerra, Jennings, Patel and Kim absent) staff's recommendation to contract with professional planner for review and recommendation of site and in consultation with civil engineer and to proceed as quickly as possible.

RECESS TO CLOSED SESSION (FILE 11.15)

General Counsel Kendig reported the Board would adjourn to Closed Session to hear items CS2, CS3, and CS4.

CS1. CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION pursuant to paragraph (2) and (3) of subdivision (d) of Section 54956.9 of the Government Code: One (1) Case

CS2. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6

Chief Negotiators: Board Chair Rossini, Board Vice Chair & Budget and Finance Committee Chair O'Neill, and Immediate Past Board Chair Shawver
Position: Fire Chief

CS3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8:

Address of Property: APN # 125-165-06 (two portions)
Negotiator: City of San Clemente City Manager Andy Hall
Negotiating with: Jim Ruane, Assistant Chief/Logistics Department and Lori Zeller, Deputy Chief/Administration & Support Bureau
Terms: Price and Terms

CS4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8:

Address of Property:	APN # 678-163-01
Negotiator:	Rancho Mission Viejo, PA 3 Development LLC. President Jeremy Laster
Negotiating with:	Jim Ruane, Assistant Chief/Logistics Department and Lori Zeller, Deputy Chief/Administration & Support Bureau
Terms:	Price and Terms

Director Chun left at 7:29 p.m.

RECONVENE TO OPEN SESSION

CLOSED SESSION REPORT (FILE 11.15)

General Counsel Kendig reported the Board gave direction to its real property negotiators and took no other reportable action.

3. DISCUSSION CALENDAR (Continued)

B. Amended and Restated Employment Agreement with the Fire Chief (FILE 17.10A2)

General Counsel Kendig stated the Brown Act requires a verbal report whenever there is an amendment that affects a senior official in this agency, thus stated that the recommendation is to approve the Fire Chief's amended and restated employment agreement that would involve an increase in his salary to \$350,000 per year, deletion of the section in his agreement that would automatically increase his salary to ensure it stays five percent above his highest paid subordinate, and future adjustments would be made by amendment negotiated after annual performance reviews.

On motion of Vice Chair O'Neill and second by Director Hernandez the Board of Directors approved 16-0 (Directors Chun, Hasselbrink, Wagner, Nguyen, Bacerra, Jennings, Patel, Nitesh and Kim absent) the Amended and Restated Employment Agreement with the Fire Chief as stated in the recommended action.

Director Bourne left at 8:15 p.m.

BOARD MEMBER COMMENTS (FILE 11.13)

Director Lombard thanked Deputy Chief McGovern, the firefighters and staff on behalf of the city of Tustin for everything that has been provided by OCFA the last 10 days regarding the Tustin Hangar Fire.

ADJOURNMENT – Chair Rossini adjourned the meeting at 8:20 p.m. The next meeting of the Orange County Fire Authority Board of Directors will be on Thursday, January 25, 2024, at 6:00 p.m.

Maria D. Huizar, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 25, 2024

Agenda Item No. 2B
Consent Calendar

**FY 22 State Homeland Security Grant Funding All Hazard All Risks
Regional Training and Hazardous Materials Support Vehicle**

Contact(s) for Further Information

TJ McGovern, Deputy Chief
Emergency Operations Bureau

TJMcGovern@ocfa.org

714.573.6006

Nick Freeman, Division Chief

NicholasFreeman@ocfa.org

949.341.0294

Summary

This ~~ese~~ items ~~is~~ ~~are~~ resubmitted for approval of FY 2022 State Homeland Security Program (SHGP) Grant Program funding in the Aamount of \$~~2~~+80,000. The grant's intent is to offset funding for the Orange County Intelligence Assessment Center liaison officer position and acquisition of equipment.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Approve a Budget Adjustment in Fund 121 to increase revenue and expenditures by \$~~2~~+80,000 for the grant program award.

Impact to Cities/County

Not Applicable.

Fiscal Impact

The FY 20~~23~~/~~24~~/~~23~~ General Fund 121 revenues and expenditures will be increased by \$~~2~~+80,000 for the grant program award.

Increase Cost Funded by Structural Fire Fund: \$0

Increase Cost Funded by Cash Contract Cities: \$0

Background

On November 13, 2003, the United States Department of Homeland Security (DHS) established the SHGP Grant Program through the Federal Office of Domestic Preparedness. The grant only allows the Orange County Sheriff's Department, to apply for funds through the SHGP. SHGP provides funds to local emergency first responders to enhance security and overall preparedness to prevent, respond to, and recover from acts of terrorism. The grant specifically provides funding for anti-terror equipment, planning, training, exercises and technical assistance.

To ensure these funding sources did not undermine the process already in place, all principal parties involved formed a collaborative regional effort to facilitate the needs for the entire operational area. This ensured the funds were utilized to provide for the region and not one

particular jurisdiction. The administrative responsibilities are managed [by](#) the Orange County Sheriff's Department [as](#) the lead agency for FY 2022 funding. Utilizing the goals and objectives developed by the Urban Area Working Group, priorities were established in the allowable grant categories of equipment, training, organization, and planning.

The OCFA was notified that it was awarded \$180,000 as part of the FY 2022 for funding the Orange County Intelligence Assessment Center Liaison Officer position. The grant funds are designated for reimbursement for employee pay and benefits related to serving as a liaison officer with the OCIAC.

[The OCFA was also awarded \\$100,000 as part of the FY 2022 grant award to fund the acquisition of equipment.](#)

[Attachment\(s\)](#)

Grant Sub-Recipient Award Amendment



ORANGE COUNTY SHERIFF'S DEPARTMENT

SHERIFF-CORONER DON BARNES

2022 Homeland Security Grant Program

Project Approval Notification

September 26, 2023
Chief Brian Fennessy
1 Fire Authority Rd.
Irvine, CA 92602

This letter serves to inform you that the State Homeland Security Program (SHSP) has approved your project request. This project award will recognize the Orange County Fire Authority as a sub-recipient. Your agency can only spend the allocated grant funding based on the preapproved project below and any administrative modifications have been requested by the County of Orange. Below is some important information related to the project approval:

- Requesting Jurisdiction: Orange County Fire Authority
- Project Awarded: OCIAC – Planning \$180,000
- Project Awarded: Equipment – Hazmat Support Unit \$100,000 (Partial, the rest will be funded by UASI)
- Awarding Agency: Cal-OES / Department of Homeland Security
- Award Name: Homeland Security Grant Program
- Federal Grant Number: 2022-0043
- Recipient Performance: September 1, 2022, to May 31, 2025
- Subrecipient Performance: September 1, 2022, to March 31, 2025
- CFDA: 97.067
- UEI #: RFT6BJ98H2A5
- Cal-OES FIPS #: 059-00000
- Identification of whether the award is research and development: No
- Indirect Cost Rate: N/A

An in-depth review process of the application was necessary prior to approval. This process is required due to stringent HSGP guidelines that must be adhered to. Following the review process, your project was found to be a viable concept based on investment justifications, regional benefit, and degree of applicability to the overarching Homeland Security Grant goals and objectives.

It is critical that you become familiar with the 2022 Homeland Security Grant Program Guidance and the 2022 Homeland Security Grant Program California Supplemental Guidance. It is also imperative you contact the Homeland Security Grant Unit before funding any part of the project that may be questionable regarding procurement guidelines and or Authorized Equipment List allowability. In order to eliminate reimbursement issues, we will seek reimbursement approval from the State on behalf of your agency or jurisdiction.

If you have any questions regarding this notification or the review process, feel free to contact me or Yumi Leung at (714) 834-6674 or Yleung@ocsheriff.gov.

Respectfully,

A handwritten signature in blue ink that reads 'Jerry Millhollon'.

Captain Jerry Millhollon
Homeland Security Division
Orange County Sheriff's Department
jsmillhollon@ocsheriff.gov
(949)919-4731



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 25, 2024

Agenda Item No. 2C
Consent Calendar

Proclamation for National Burn Awareness Week

Contact(s) for Further Information

Matt Olson, Director of Communications MattOlson@ocfa.org 714.573.6028
Corporate Communications

Sophia Champieux, Public Relations SophiaChampieux@ocfa.org 714.573.6752
Manager / Corporate Communications

Summary

Annually, the Orange County Fire Authority proclaims the week that includes February 4-10, 2024 as Burn Awareness Week.

Prior Board/Committee Action

Not applicable.

RECOMMENDED ACTION(S)

Approve proclamation designating February 4-10, 2024 as Burn Awareness Week.

Impact to Cities/County

Not Applicable.

Fiscal Impact

There is no fiscal impact associated with this item.

Background

Burn Awareness Week helps bring awareness to the dangers of scalds and burns and brings together burn awareness organizations, burn survivor support groups, public safety professionals and injury prevention activists to help others become more educated about the effects burns can have on people's lives.

According to the American Burn Association, over 300,000 scald burn injuries have happened and been associated with consumer household appliances like stoves, cookware, and bathtubs, leading those to be sent to hospital emergency rooms between 2013 and 2017. The American Burn Association founded this holiday to help prevent the frequency of burn injuries and teach people about the most common causes of burn injuries and how to prevent them.

This year, Burn Awareness Week will be observed February 4-10, 2024. This year's campaign, "Flammable Liquids," works to remind us to educate everyone about simple but important actions they can take to keep themselves and those around them safe from burns. We encourage Orange County residents to practice safe cooking and to support the public safety activities and efforts during Burn Awareness Week 2024.

Attachment(s)

Proposed Proclamation

**PROCLAMATION
NATIONAL BURN AWARENESS WEEK 2024**

WHEREAS, burn injuries continue to be one of the leading causes of accidental death and injury in our Nation where tragically, children, the elderly, and the disabled are especially vulnerable to burn injuries, and almost one-third of all burn injuries occur in children under the age of 15; and

WHEREAS, approximately every 60 seconds someone in the U.S. sustains a burn injury serious enough to require treatment; and

WHEREAS, in the United States, more than 400,000 people receive medical care for treatment of burn injuries every year. The majority of these burns are preventable; and

WHEREAS, the primary causes of injury include fire-flame, scalds, contact with hot objects, and electrical and chemicals. Most of the injuries occur in the home. Today, 96.8% of those who suffer burn injuries will survive. Unfortunately, many of those survivors will sustain serious scarring, life-long physical disabilities, adjustment difficulties; and

WHEREAS, Orange County residents are responsive to public education and outreach measures and can take personal steps to increase their safety from fire, especially in their homes; and

WHEREAS, the 2024 National Burn Awareness Week theme, “Flammable Liquids” effectively serves to remind us to educate everyone about simple but important actions they can take to keep themselves and those around them safe

NOW, THEREFORE BE IT RESOLVED, that the Orange County Fire Authority Board of Directors does hereby declare February 4th through February 10th, 2024, as “National Burn Awareness Week.” Practice safe cooking, and support the many public safety activities and efforts of Orange County Fire Authority during Fire Prevention Week 2023.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 25, 2024

Agenda Item No. 2D
Consent Calendar

FY 2023/2024 Mid-Year Financial Report

Contact(s) for Further Information

Robert Cortez, Assistant Chief Business Services Department	robertcortez@ocfa.org	714.573.6012
Tricia Jakubiak, Treasurer Treasury & Financial Planning	triciajakubiak@ocfa.org	714.573.6301
Stuart Lam, Budget Manager Treasury & Financial Planning	stuartlam@ocfa.org	714.573.6302

Summary

This item is submitted to provide a mid-year financial update on the FY 2023/24 budget in accordance with the OCFA's Fiscal Health Plan and to preview expected budget adjustments for approval in March.

Prior Board/Committee Action

On January 10, 2024, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Board of Directors agenda by a vote of 8-0 (Director Gabbard absent).

RECOMMENDED ACTION(S)

Receive and file report and direct staff to return to the Board of Directors on March 28, 2024 for approval of the budget adjustments discussed herein for the FY 2023/24 budget.

Impact to Cities/County

The Five-Year Financial Forecast assumes cash contract city charges will range from 2.50% to 4.50% annually.

Fiscal Impact

Financial impact is detailed in the report, with an overall increase in revenues (all funds combined) of \$23,920,646, an overall increase in expenditures (all funds combined) of \$25,659,219, and a rebudget of remaining helicopter expenditures from FY 2022/23 to FY 2023/34 in the amount of \$12,190,741.

Increased Cost Funded by Structural Fire Fund:	\$0
Increased Cost Funded by Cash Contract Cities:	\$0

Background

The OCFA's Fiscal Health Plan calls for a comprehensive system to monitor OCFA's fiscal performance. This includes a review and comparison of forecasted revenues and expenditures against actual revenues and expenditures, as well as a mid-year budget review. The attached report

reviews the current year budget, highlights any potential financial challenges to the OCFA, and previews anticipated FY 2024/25 budget issues, to the extent they are known at this time.

FY 2023/24 Budget Review

Significant changes have occurred since the budget was adopted in May 2023, including increases to budgeted beginning fund balance, increase in property tax revenue, increases in both revenue and expenditures related to assistance-by-hire emergency responses, as well as all approved adjustments to-date such as Carryover and new grant funds. These changes are summarized in the table below and detailed in the attached Mid-Year Financial Report.

Fund	Revenues	Expenditures
General Fund (121)		
Property Taxes	\$6,371,053	-
Assistance by Hire/Emergency Incident	\$6,746,678	\$6,939,128
Grant/CalFire/Reimbursements	\$831,477	\$731,477
OCPFA Retiree Medical Trust Payment	\$7,836,090	\$7,836,090
Miscellaneous	(\$174,589)	-
Personnel/Training	-	\$3,678,374
Supplies/Equipment/Professional Services	-	\$699,650
Interfund Borrowing	-	\$2,102,500
Total General Fund (121)	\$21,610,709	\$21,987,219
GF Capital Improvement Program (12110)	-	\$520,000
Fire Stations & Facilities (123)	\$921,381	-
Comm. & Info Systems (124)	\$125,942	-
Vehicle Replacement (133)	\$485,195	\$3,113,000
Settlement Agreement (139)	\$48,102	\$39,000
SFF Entitlement Fund (171)	\$85,033	-
Workers' Compensation (190)	\$644,284	-
Total All Funds	\$23,920,646	\$25,659,219
Vehicle Replacement (133) Helicopter Rebudget	-	\$12,190,741
Total with Fund 133 Rebudget	\$23,920,646	\$37,849,960

Attachment(s)

Mid-year Financial Report

- Exhibit 1 – 2023 Trend Analysis -- Forecast to Actual Comparison
- Exhibit 2 – Updated Five-Year Financial Forecast
- Exhibit 3 – Five-Year Financial Forecast Assumptions



In May 2020, the Board of Directors approved the updated Financial Stability Budget Policy. Together with the Fiscal Health Plan, 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 below.

ECONOMIC OUTLOOK

Property tax is OCFA’s largest source of revenue; therefore, this section focuses on economic factors impacting property values. Residential real estate assessed values have remained elevated in recent years due to a tight housing market with low inventory. The December 2023 Chapman Economic and Business Review forecast now foresees a slight increase in the Orange County median home price of 3.5% in 2024, but a 4.5% decrease in existing home sales, and a 6.9% reduction in residential permit activity. Annual homes sold in Orange County have been on the decline for several years from 38,610 in 2021, down to 26,711 in 2022, falling further to 21,303 in 2023 and projected at 20,337 in 2024. Although mortgage rates have increased sharply with rates now hovering around 7%, housing prices have remained elevated due to low inventory as homeowners cling to the fixed-rate mortgages that they acquired at historically low rates. According to Chapman, 81% of current mortgages in California have a rate below 5%.

CURRENT FISCAL YEAR FINANCES

The following are estimated changes to the budget that are needed since the adoption of the FY 2023/24 budget in May 2023. Overall, the proposed changes in the General Fund result in an estimated total revenue adjustment of approximately \$21.6 million and an estimated total expenditure adjustment of \$22.0 million. *Approximately \$7.5 million of the expenditure adjustments are related to emergency incidents that are offset by corresponding revenue or are items that are cost neutral.* Expenditures not directly offset by corresponding revenue increases are primarily due to the impact of new labor agreements that were ratified too late in the FY 2023/34 budget development process for inclusion in the Adopted Budget; however, these costs were disclosed to the Board at the time of budget adoption and the Board was advised that these costs would be added mid-year. Additional expenditure adjustments outlined below are driven by higher costs for services and supplies that were not known at the time of budget adoption including increased fuel costs.

FY 2023/24 General Fund Estimated Revenue Adjustments - \$21.6 million

Property Taxes: Based on property tax billing data provided by the Auditor/Controller and property tax received to date, preliminary projections indicate an approximate \$6.4 million increase over budget. **\$6,371,053**

Assistance by Hire (ABH)/Emergency Incident: ABH is the term used when OCFA responds to requests for assistance to incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$6.7 million greater than budget due to various in-county and out-of-county responses. Staff will be monitoring this source of revenue for additional reimbursements. An expenditure adjustment is also proposed to the overtime/backfill category to cover the costs associated with providing the ABH services. **\$6,746,678**



Grant/CalFire/Reimbursements: This category represents reimbursements for Grants or other programs where expenditures are reimbursed once incurred. The \$831K adjustment is for CalFire augmentation funding (\$488K), supplemental funding for the 2022 US&R Grant (\$158K), donations from Maruchan (\$100K), and County of Orange wire cutter grant (\$85K). **\$831,477**

OCPFA Retiree Medical Trust Payment: OCFA’s audit firm Lance, Soll & Lunghard issued a final report on the OCPFA Medical Benefit Trust for the period January 1, 2022 through December 31, 2022 showing a \$7,836,090 excess fund balance credit due to the OCFA. Per the terms of the OCFA/OCPFA Health Plan Agreement, OCFA will remit these funds to the OCFA Retiree Medical Trust held at OCERS. **\$7,836,090**

Miscellaneous: This category of revenue adjustments includes decreased interest earnings, updates to cash contract city maintenance charges, increased charges for crews & equipment services, increased insurance settlement receipts, and increased late payment penalty fess. **(\$174,589)**

FY 2023/24 General Fund Estimated Expenditure Adjustments - \$22.0 million

Assistance by Hire/Emergency Incident Costs: As mentioned under Revenue for ABH, an adjustment is needed for in-county and out-of-county responses, primarily in the overtime/backfill category, but also for response-related supplies. This category also comprises US&R activation expenditures. Staff will be monitoring these categories closely as the fiscal year progresses. **\$6,939,128⁽¹⁾**

Grant/CalFire/Reimbursable Programs: These expenditure items include CalFire augmentation funding for handcrew overtime (\$488K), supplemental funding for the 2022 US&R Grant (\$158K), and County of Orange wire cutter grant (\$85K). **\$731,477⁽¹⁾**

OCPFA Retiree Medical Trust Payment: OCFA’s audit firm Lance, Soll & Lunghard issued a final report on the OCPFA Medical Benefit Trust for the period January 1, 2022 through December 31, 2022 showing a \$7,836,090 excess fund balance credit due to the OCFA. Per the terms of the OCFA/OCPFA Health Plan Agreement, OCFA will remit these funds to the OCFA Retiree Medical Trust held at OCERS. **\$7,836,090⁽¹⁾**

¹ Expenditure increase is wholly or partially cost neutral, offset by a corresponding revenue source or dedicated fund balance.



Personnel/Training: At the time of budget development for current fiscal year 2023/24, a new firefighter labor agreement was approved by the Board and incorporated into the Adopted Budget, but the OCFA was still in the process of finalizing new labor agreements with the Chief Officer’s Association (COA), OCFA Manager’s Association (OCFAMA), and Orange County Employees Association (OCEA). Budget adjustments are now required to account for the impacts of these new MOUs to our FY2023/24 budget as follows: \$1.9M for OCEA, \$1.3M for COA, and \$425K for OCFAMA. This category also includes \$40,000 for anticipated overtime expenditures related to OCFA’s annual open house. **\$3,678,374**

Supplies/Equipment/Professional Services: This category includes one-time adjustments for services and supplies which were unknown or for which costs have increased since budget development. Adjustments include increased fuel costs (\$534K); Outreach Recruitment Team trailer and supplies (\$90K); HazMat suits and gloves (\$25K); HazMAT Response Team supplies (\$17K); supplies for OCFA’s annual open house (\$14K); WEFIT equipment maintenance and repair (\$10K); and services and supplies to support Public Information Officers (\$10K). **\$699,650**

Interfund Borrowing: At the time of budget development, staff was in the process of analyzing if OCFA’s cash flow needs could be met with interfund borrowing. When the budget was adopted in May, the Board approved interfund borrowing as our cash flow management mechanism in FY 2023/24. The money is borrowed from the Workers’ Compensation Self-Insurance Fund 190 and repaid with interest which is reflected as a cost to the General Fund. **\$2,102,500**

FY 2023/24 CIP and Other Fund Adjustments

- **Fund 12110 – General Fund CIP:** A increase in expenditures in the amount of \$520,000 is needed for vehicle outfitting costs for 44 Dodge Rams and 2 HazMat vehicles.
- **Fund 133 – Fire Apparatus:** A carry-over adjustment is needed to rebudget remaining helicopter expenditures from FY 2022/23 to FY 2023/34 in the amount of \$12,190,741. This portion of the mid-year adjustment is not an increase in overall expenditures, but rather a change in timing from the prior year to the current year, and therefore, it is funded by corresponding unspent fund balance which remains available from the prior year. In addition to the carry-over adjustment, an increase in expenditures of \$3,113,000 is needed for the following: increase in emergency vehicle expenditures due to significant inflationary cost increases for Type 1 Engines (\$2,973,000), increase in grant funded vehicle expenditures (\$125,000), and increase in support vehicle expenditures (\$15,000).
- **Fund 139 – Settlement Agreement:** An increase in expenditures in the amount of \$39,000 is needed to accommodate Trustee and PARS fees for administering the 115 Trust.
- **Interest Earnings:** Interest earning revenue for each of the CIP and Other Funds have been increased based on the latest projections. The net interest earnings adjustment is a \$2,309,937 increase.

FY 2023/24 Fund Balance Transfer Adjustments

- **Unencumbered Fund Balance:** The FY 2022/23 year-end audit identified unencumbered fund balance in the amount of \$173,363. This fund balance increase resulted primarily from additional



revenue received in the fiscal year, as well as salary savings and S&S savings in the General Fund. Per the OCFA's Amended Joint Powers Agreement (JPA), the Board of Directors has the discretion to allocate this year-end unencumbered fund balance to the Structural Fire Fund Entitlement Fund for use by eligible member agencies, pursuant to the equity calculation as defined in the JPA. While that discretionary option is available, staff instead recommends allocating the unencumbered fund balance as follows, due to organizational need:

- Allocate 100% to remain in the General Fund to maintain the contingency reserve at 10% of expenditures, pursuant to the OCFA's Financial Stability Budget Policy.
- **CIP to Fund 121 Transfers:** The Financial Stability Policy requires a reconciliation of the 10% contingency reserve at mid-year. In order to maintain the 10% General Fund contingency reserve of \$47,325,126, a fund balance transfer of \$3,877,256 is required from the CIP to the General Fund (\$1,877,256 from Fund 123, \$1,000,000 from Fund 124, and \$1,000,000 from Fund 133).

FUTURE FISCAL YEAR FINANCES

Significant factors that are anticipated to influence the FY 2024/25 budget development 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 take advantage of an approximately 7.0% discount. This discount fluctuates over time and increased over last year's discount of 5.8%. The prepayment discount amounts to significant savings. In the current FY 2023/24, OCFA saved an estimated \$1.8M by prepaying a portion of its OCERS contributions.
- **Property Taxes** - Since property tax is the largest source of income for the General Fund at about 63%, we have contracted with Harris and Associates to update our property tax projections. Updated preliminary information for our FY 2024/25 budget will be available in February 2024; therefore, in the interim we are continuing to use Harris & Associates' prior projection for FYs 2024/25 through 2027/28 of the Five-Year Financial Forecast.
- **Retirement Rates** - The Orange County Employees Retirement System (OCERS) Board has adopted retirement rates for FY 2024/25. Retirement rates in FY 2024/25 are approximately 0.08% lower for safety and 0.90% higher for non-safety compared to FY 2023/24 rates after removing the impact of the additional pension liability contributions OCFA has made to OCERS. Consistent with Board direction, we continue to pay the original rates, capturing those savings and increasing payments directly to our unfunded liability.
- **Workers' Compensation** – The current forecast is based on the workers' compensation actuarial study dated July 2023. We have contracted with Rivelle Consulting to update the actuarial study to be completed in January 2024 which may impact the workers' compensation cost projections in the five-year forecast.

PENDING ISSUES

- **CIP Project Budget Funding/Timing** – The next five-year Capital Improvement Program budgets are in the process of being developed. As we build the CIP, staff is working on options to align the updated five-year CIP schedule with available funding that is primarily derived from transfers from the General Fund.



MONITORING FINANCIAL HEALTH

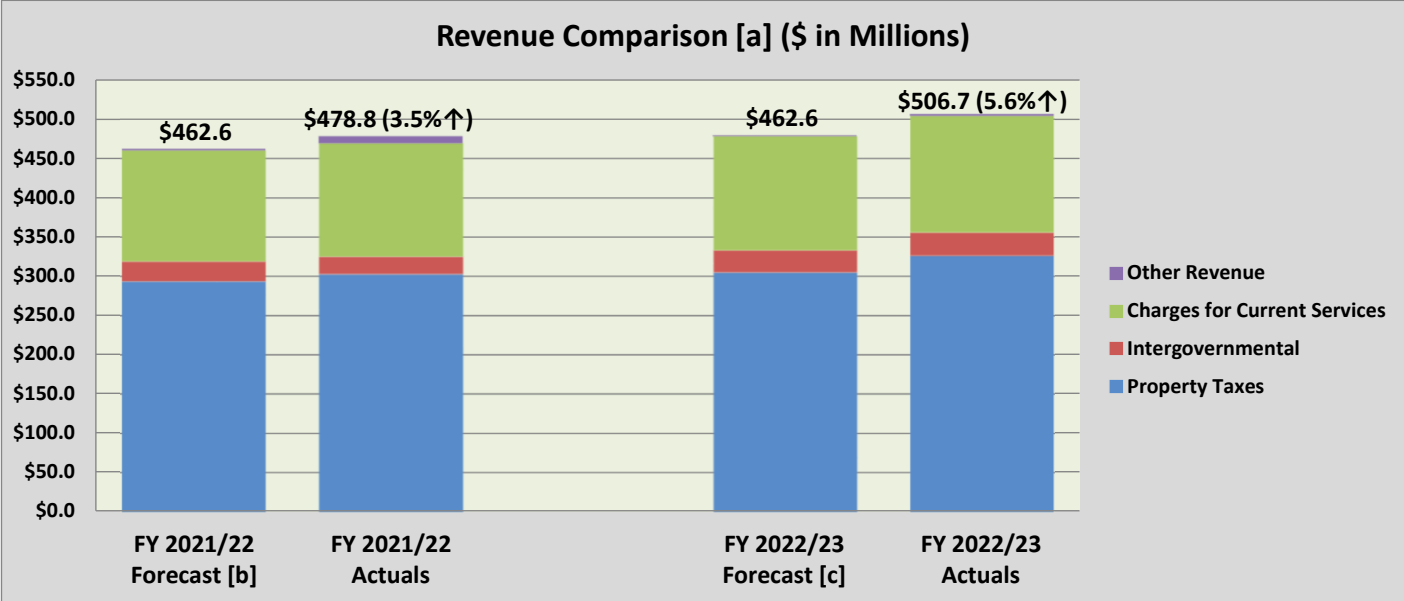
Financial Forecast

The Fiscal Health Plan directs staff to monitor our financial indicators through frequent updates to the Authority's Five-Year Financial Forecast, measuring revenue, expenditures, debt, and committed and uncommitted fund balance. These categories are forecasted using all available information, Board actions, and economic conditions (Exhibits 2 and 3).

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 1.

2023 Trend Analysis: Summary of 2-Year Forecast vs. Adjusted Actuals

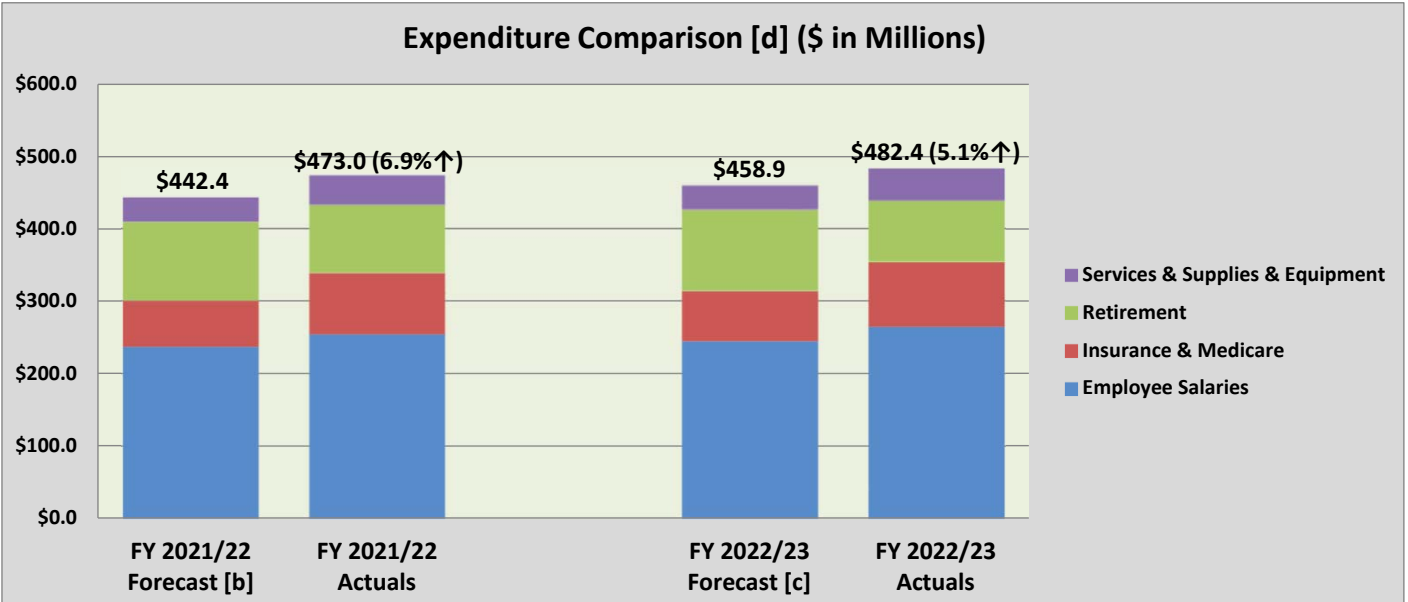
Comparison of 2021/22 Forecast to 2021/22 Actuals
and
Comparison of 2022/23 Forecast to 2022/23 Actuals



[a] Actual revenue adjusted for one-time sources not forecasted such as assistance by hire revenue, grant revenue, donation revenue, and one-time revenue associated with RDA dissolutions.

[b] As presented in the FY2020/21 Adopted Budget - Scenario 1.

[c] As presented in the FY2021/22 Adopted Budget - Scenario 1.



[d] Actual expenditures adjusted for one-time items not forecasted such as grant and donation expenditures.

Scenario 1 - 0% Salary Increases After MOU Expirations		PROJECTED FY 2023/24	PROJECTED FY 2024/25	PROJECTED FY 2025/26	PROJECTED FY 2026/27	PROJECTED FY 2027/28
A.	BEGINNING FUND BALANCE - All Funds Combined	270,626,063	240,096,286	264,975,209	288,968,901	293,046,867
GENERAL FUND Revenue & Expenditures						
	Property Taxes	341,623,616	351,513,654	364,189,043	388,002,290	402,957,047
	State Reimbursements	16,534,878	16,651,950	16,651,950	16,651,950	16,651,950
	Federal Reimbursements	100,000	100,000	100,000	100,000	100,000
	One-Time Grant/ABH/RDA	59,731,086	-	-	-	-
	Community Redevelopment Agency Pass-thru	20,977,225	27,581,957	28,852,371	14,232,430	14,775,423
	Cash Contracts	142,058,493	148,351,505	154,143,041	159,597,871	163,624,927
	Community Risk Reduction Fees	7,709,838	7,709,838	7,709,838	7,709,838	7,709,838
	ALS Supplies & Transport Reimbursement	4,547,600	4,547,600	4,547,600	4,547,600	4,547,600
	Interest Earnings	1,516,363	4,816,184	3,191,705	3,343,347	3,503,605
	Other Revenue	1,494,969	1,390,469	1,390,469	1,390,469	1,390,469
	General Fund Revenue	596,294,068	562,663,156	580,776,017	595,575,796	615,260,859
	New Positions for New Stations	-	-	-	1,241,158	5,097,170
	Service Enhancement	-	1,216,210	1,216,210	1,216,210	1,216,210
	Employee Salaries	272,516,210	280,864,262	287,123,373	293,276,462	296,001,667
	Retirement - Regular Annual Payments	82,827,804	92,337,447	93,978,829	97,783,496	102,069,290
	Accelerated Pension / Retiree Medical Paydown	20,772,547	21,814,115	29,242,631	34,647,456	35,807,106
	Workers' Compensation (Transfer to Fund 190)	31,807,590	34,664,856	36,428,548	38,266,862	40,182,690
	Other Insurance	38,831,736	39,566,565	40,244,198	41,809,350	43,469,535
	Medicare	3,919,153	4,072,532	4,163,289	4,252,509	4,292,024
	One-Time Grant/ABH Expenditures	16,500,525	-	-	-	-
	Salaries & Employee Benefits	467,175,565	474,535,986	492,397,078	512,493,502	528,135,691
	Services & Supplies/Equipment	50,821,555	47,274,809	47,276,692	47,882,586	47,897,509
	Irvine Settlement Agreement (Transfer to Fund 139)	2,668,000	2,668,000	2,668,000	2,668,000	2,668,000
	New Station/Enhancements S&S Impacts	-	-	-	62,935	291,702
	One-Time Grant Expenditures	43,059,631	-	-	-	-
	General Fund Expenditures	563,724,751	524,478,795	542,341,770	563,107,023	578,992,902
B.	Incremental Increase in GF 10% Contingency	5,975,652	2,552,921	1,043,446	1,536,043	1,472,623
	GENERAL FUND SURPLUS/(DEFICIT)	26,593,665	35,631,440	37,390,801	30,932,730	34,795,334
C.	Operating Transfer from Operating Contingency	-	-	-	-	-
	Transfers to CIP Funds from General Fund Surplus	26,593,665	35,631,440	37,390,801	30,932,730	34,795,334
	One-Time Pension / Retiree Med. Paydown from GF Surplus	-	-	-	-	-
CAPITAL IMPROVEMENT PROGRAM (CIP)						
	Interest Earnings	2,435,754	1,332,767	931,010	979,794	972,621
	Cash Contracts	1,893,746	1,950,557	2,009,075	2,069,346	2,131,427
	Developer Contributions	2,805,900	705,900	705,900	705,900	282,360
	Lease Purchase Proceeds	-	-	-	-	-
	Operating Transfers into CIP from General Fund Surplus	26,593,665	35,631,440	37,390,801	30,932,730	34,795,334
	Total CIP Revenue	33,729,065	39,620,665	41,036,785	34,687,770	38,181,741
	Fund 12110 - General Fund CIP	17,197,529	18,239,000	18,846,500	6,959,000	4,611,920
	Fund 123 - Fire Stations and Facilities	24,375,225	2,200,000	2,050,000	650,000	19,900,000
	Fund 124 - Communications & Information Systems	8,872,908	2,850,000	1,650,000	5,500,000	4,750,000
	Fund 133 - Fire Apparatus [a]	29,513,491	9,471,220	8,482,610	31,984,330	21,423,580
	Lease Purchase Payments	4,933,000	4,933,000	4,933,000	4,933,000	4,933,000
	Total CIP Expenses	84,892,153	37,693,220	35,962,110	50,026,330	55,618,500
D.	CIP SURPLUS/(DEFICIT) - Deposit to/withdraw from CIP reserve	(51,163,088)	1,927,445	5,074,675	(15,338,560)	(17,436,759)
OTHER FUNDS						
	Fund 190 - WC Revenue - Transfer from GF	31,807,590	34,664,856	36,428,548	38,266,862	40,182,690
	Fund 190 - WC Revenue - Interest Earnings	4,298,374	5,952,132	4,157,883	4,375,756	4,343,718
	Fund 190 - WC Cashflow Payments per Actuary	19,125,125	23,321,282	25,481,260	27,572,903	28,400,090
E.	Deposit to WC Cashflow Reserve	16,980,839	17,295,706	15,105,171	15,069,715	16,126,318
	Fund 139 - Irvine Settlement Revenue - Transfer from GF	2,668,000	2,668,000	2,668,000	2,668,000	2,668,000
	Fund 139 - Irvine Settlement Revenue - Interest Earnings	725,156	1,102,850	770,400	810,769	804,833
	Fund 139 - Irvine Settlement Expenditures - Per Agreement	2,207,000	668,000	668,000	668,000	668,000
F.	Deposit to Fund 139 - Irvine Settlement Agmt.	1,186,156	3,102,850	2,770,400	2,810,769	2,804,833
G.	Fund 171 - SFEF Expenditures	3,509,336	-	-	-	-
	ENDING FUND BALANCE (Note) - All Funds Combined	240,096,286	264,975,208	288,968,901	293,046,867	296,013,883
Ending Balance by Fund						
	Operating Contingency (10% of Expenditures)	47,325,126	49,878,047	50,921,493	52,457,536	53,930,159
	Reserve for Cash Contract City Station Maintenance	475,000	475,000	475,000	475,000	475,000
	Structural Fire Fund Entitlement Fund (Fund 171)	10,205	10,205	10,205	10,205	10,205
	Irvine Settlement Agreement (Fund 139)	30,114,984	33,217,834	35,988,235	38,799,004	41,603,837
	CIP FUND BALANCE	1,856,088	3,783,533	8,858,208	(6,480,352)	(23,917,111)
	Workers' Compensation Cashflow Reserve (Fund 190)	160,314,883	177,610,589	192,715,760	207,785,475	223,911,793
	Total Fund Balances	240,096,286	264,975,208	288,968,901	293,046,867	296,013,883

Note: Ending Fund Balance is calculated by adding rows A+B+C+D+E+F-G

Forecast Assumptions – Mid-Year Revised

Basic Assumptions

The Adopted FY 2023/24 Budget, and the Five-Year Capital Improvement Plan approved by the Board of Directors on May 25, 2023 form the basis for this financial forecast with the following adjustments:

- Updated total beginning fund balance from the FY 2022/23 audited financial statements.
- All approved budget adjustments that have occurred since the adoption of the budget
- Proposed FY 2023/24 mid-year adjustments.

General Fund Revenues

- **Secured Property Taxes** – The Harris & Associates Final 2023 Report Typical Scenario provides the growth factors assumed for the forecast. The following are projections of current secured property tax growth:

FY 2023/24	5.15%
FY 2024/25	3.43%
FY 2025/26	3.83%
FY 2026/27	6.93%
FY 2027/28	4.07%

- **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.
- **Community Redevelopment Agency Pass-thru Revenue** – Harris & Associates completed a Redevelopment Area Excess Revenue Analysis of pass-thru and residual revenues from the dissolution of the redevelopment agencies dated April 3, 2023. The forecast figures come from this report.
- **Cash Contracts** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments with year-over-year changes ranging from 2.50% to 4.50%. In addition, this revenue category includes John Wayne Airport contract proceeds with an annual 4% increase cap, which is projected to continue through the forecast period.
- **Community Risk Reduction Fees** – Community Risk Reduction Fees are projected to remain constant through the forecast period from FY 2024/25 through FY 2027/28, 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. Staff is currently in the process of reviewing medical supplies reimbursement rates.
- **Interest Earnings** – Assumes an average annual return of 2.25% for FY 2023/24, 4.00% for FY 2024/25, 3.50% for FY 2025/26, and 2.50% thereafter.
- **Other Revenue** – This revenue source includes various items such as reimbursements for training and cost recovery for the firefighter handcrew and is projected to remain flat over the forecast period.

General Fund Expenditures

- **Salaries & Employee Benefits** – S&EB is composed of the following factors:
 - ✓ **New Positions for New Stations** – The forecast assumes that new vehicles will be in service for Station 67 starting 11/1/2026 and Station 52 on 7/1/2027.
 - ✓ **Employee Salaries** – Projected salaries reflect increases consistent with the approved labor group MOUs.
 - ✓ **Retirement** – Retirement costs reflect projected employer retirement rates, which are based on the OCERS provided rates for FY 2023/24. The projected employer rates in the outer years of the forecast are based on a Segal Consulting study dated July 12, 2023 provided by OCERS. FY 2024/25 rates are approximately 0.08% lower for safety and 0.90% higher for non-safety compared to FY 2023/24 rates.

FY	Safety	General	Source
2023/24	42.09%	34.12%	FY 2023/24 based on OCERS provided rates. Outer years based on Segal Consulting Study dated July 12, 2023. Effective rates adjusted to remove impact of additional OCFA UAAL contributions.
2024/25	42.01%	35.02%	
2025/26	41.81%	34.92%	
2026/27	42.61%	35.52%	
2027/28	44.11%	36.62%	

In accordance with the Updated Snowball Strategy presented to the board in November 2015, the forecast includes the following unfunded liability paydowns:

- Contributing additional funds each year using projected savings that will be realized under new Public Employees’ Pension Reform Act (PEPRA) of \$5.8M in FY 2023/24 and continuing in different amounts until payment is complete.
- Contributing an additional \$1M each year starting in FY 2016/17 and increasing by \$2M each year until it reaches \$15M and continuing at \$15M thereafter.
- In prior years, contributed \$1 million per year from surplus fund balance available in the Workers’ Compensation Self-Insurance Fund from FY 2016/17 through FY 2020/21.
- Beginning in FY 2017/18 at mid-year, if CIP is sufficiently funded, allocate 50% of the General Fund surplus, if any, to UAAL with the remaining 50% used to fund CIP.

- ✓ **Workers' Compensation** – FY 2023/24 assumes a 50% confidence level for ongoing Workers' Compensation costs. The 50% confidence level is assumed throughout the forecast period. Workers' Compensation costs in the forecast period are based on projected payments in the Rivelle Consulting Services July 2023 Study.
- ✓ **Other Insurance** – Medical insurance rates for firefighters assume no increases through FY 2025/26 and 2.50% annual increases thereafter. For staff members, they are projected to grow by 10% annually. This category also includes \$60,000 for unemployment insurance in FY 2023/24.
- ✓ **Medicare** – Annual amounts are calculated at 1.45% of projected salaries.
- **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).

Transfer to Fund 139 from General Fund Surplus

This is the amount needed to pay for City of Irvine Settlement Agreement costs.

General Fund Surplus/(Deficit)

This figure is equal to the Net General Fund Revenue less the incremental increase in the General Fund 10% Contingency and the transfer out to Fund 139. In years when there is a surplus, unless an exception is triggered, 50% is transferred to the CIP funds and 50% is used to paydown unfunded liabilities as outlined in the Financial Stability Budget Policy. In years when there is a deficit, the deficit amount must be drawn from the 10% Contingency, and once those are exhausted, from fund balance for CIP.

Capital Improvement Program/Other Funds Revenue

- **Interest Earnings** – Assumes an average annual return of 2.25% for FY 2023/24, 4.00% for FY 2024/25, 3.50% for FY 2025/26, and 2.50% thereafter.
- **State/Federal Reimbursement** – The forecast assumes no State/Federal reimbursement revenue in the forecast period.
- **Cash Contracts** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments.
- **Developer Contributions** – The forecast assumes we will receive developer contributions to fund fire stations and vehicles in all years through FY 2027/28.

- **Workers' Compensation Transfer** – These amounts equal the General Fund Workers' Compensation budget.
- **Fund 139 Transfer** – These amounts are transferred from the General Fund to pay for various expenditures required under the City of Irvine Settlement Agreement.
- **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.

- **Irvine Settlement (Fund 139)** – Budgeted expenditures in Fund 139 are based on the City of Irvine Settlement Agreement.
- **Structural Fire Fund Entitlement (Fund 171)** – The forecast period assumes no Structural Fire Fund Entitlement expenditures beyond FY 2023/24.
- **Self-Insurance Fund (Fund 190)** – Self-Insurance Fund expenditures are based on projected payments in the Rivelle Consulting Services July 2023 Workers' Compensation Actuarial Study.

Fund Balances

- **Operating Contingency** – Reflects policy of 10% of the General Fund expenditures each year (less one-time expenditures and UAAL payments). General Fund deficits (if applicable) are deducted from this category of fund balance.

Assigned Fund Balances

- **Irvine Settlement (Fund 139)** – Funding is set aside for City of Irvine Settlement Agreement costs, including the 115 Trust.
- **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.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 25, 2024

Agenda Item No. 3A
Discussion Calendar

Election of Board Chair and Vice Chair

Contact(s) for Further Information

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Business Services Department

Maria D. Huizar, Clerk of the Authority mariahuizar@ocfa.org 714.573.6041

Summary

The Rules of Procedure includes provisions for the election of the Board Chair and Vice Chair.

Prior Board/Committee Action

This is an annual and routine item for Board Member consideration.

RECOMMENDED ACTION(S)

Elect a Chair and Vice Chair for 2024.

Impact to Cities/County

None.

Fiscal Impact

None.

Background

The Rules of Procedure adopted by the Board of Directors includes a provision for election of the Chair and Vice Chair, as follow:

“RULE 6. ELECTION OF CHAIR AND VICE CHAIR OF THE BOARD OF DIRECTORS/ABSENCE OF PRESIDING OFFICER

- (a) The officers of the Board are the Chair and Vice Chair.
- (b) Elections for Chair and Vice Chair shall be held at the first meeting of each calendar year. The method of nomination and election of the Chair and Vice Chair will be at the discretion of the Board.
- (c) The Presiding Officer of the Board shall be the Chair, or in the Chair’s absence the Vice Chair, followed by the Immediate Past Chair, then the Budget and Finance Committee Chair.”

The Chair may call for nominations for the 2024 Board Chair and/or Vice Chair positions, close the nominations, vote on the matter and declare the results.

Attachment(s)

None.