

# **MINUTES**

## **ORANGE COUNTY FIRE AUTHORITY**

**Budget and Finance Committee Meeting**  
**Wednesday, November 5, 2014**  
**12:00 Noon**

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

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### **CALL TO ORDER**

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on November 5, 2014, at 12:00 p.m. by Chair Bressette.

### **PLEDGE OF ALLEGIANCE**

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

### **ROLL CALL**

#### **Present:**

Randal Bressette, Laguna Hills  
Trish Kelley, Mission Viejo  
Jerry McCloskey, Laguna Niguel  
Al Murray, Tustin  
Elizabeth Swift, Buena Park  
Steven Weinberg, Dana Point

#### **Absent:**

Sam Allevato, San Juan Capistrano

#### **Also present were:**

Fire Chief Jeff Bowman  
Assistant Chief Lori Smith  
Assistant Chief Lori Zeller  
Communications Director Sandy Cooney

Deputy Chief Craig Kinoshita  
Assistant Chief David Thomas  
General Counsel David Kendig  
Clerk of the Authority Sherry Wentz

## **PUBLIC COMMENTS**

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

## **MINUTES**

### **1. Minutes for the October 8, 2014, Budget and Finance Committee Meeting**

On motion of Director Murray and second by Director Weinberg, the Committee voted unanimously to approve the Minutes of the October 8, 2014, Budget and Finance Committee Meeting, as submitted.

**CONSENT CALENDAR** (Agenda Item No. 3 was pulled from the Consent Calendar for separate consideration.)

### **2. Monthly Investment Reports**

On motion of Director Kelley and second by Director Murray, the Committee voted to direct staff to place the item on the agenda for the Executive Committee's meeting of November 20, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports. Director Swift was absent for the vote.

### **3. First Quarter Financial Newsletter – July 2014 to September 2014**

Vice Chair McCloskey pulled this item to request clarification regarding the variances in the financial newsletter.

On motion of Director McCloskey and second by Director Weinberg, the Committee voted to place this item on the agenda for the Executive Committee meeting on November 20, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report. Director Swift was absent for the vote.

### **4. Annual Statement of Investment Policy and Investment Authorization**

On motion of Director Kelley and second by Director Murray, the Committee voted to direct staff to place the item on the agenda for the Board of Director's meeting of November 20, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors taking the following actions:

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.

Director Swift was absent for the vote.

Director Swift arrived at this point (12:07 p.m.)

## **DISCUSSION CALENDAR**

### **5. Audited Financial Reports for the Fiscal Year Ended June 30, 2014**

Assistant Chief Lori Zeller introduced Finance Manager Jim Ruane who introduced Rich Kikuchi, LSL Partner, who provided a report on the Audited Financial Reports for the Fiscal Year Ended June 30, 2014.

On motion of Director Weinberg and second by Director Kelley, the Committee voted unanimously to take the following actions:

1. 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*.
2. Direct staff to place the item on the agenda for the Board of Directors meeting of November 20, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors receive and approve the reports.

### **6. Updated Cost Reimbursement Rates and Methodologies**

Assistant Chief Lori Zeller introduced Finance Manager Jim Ruane who provided an update on cost reimbursement rates and methodologies.

On motion of Director Weinberg and second by Vice Chair McCloskey, the Committee voted unanimously to place the item on the agenda for the Board of Directors meeting of November 20, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

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.

Director Kelley left at this point (1:10 p.m.)

### **7. FY 2013/14 Backfill/Overtime and Total Earnings/Compensation Analysis**

Assistant Chief Lori Zeller introduced Finance Manager Jim Ruane who provided a PowerPoint presentation on the FY 2013/14 Backfill/Overtime and Total Earnings/Compensation Analysis.

On motion of Director Swift and second by Director Murray, the Committee voted unanimously to place the item on the agenda for the Board of Directors meeting of November 20, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

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.

Director Kelley was absent for the vote.

## REPORTS

Fire Chief Jeff Bowman commended Chair Bressette for his tenure as the Budget and Finance Committee's Chair.

Assistant Chief Lori Zeller thanked Chair Bressette, Director Kelley, and Director Weinberg for their leadership and guidance while on the Budget and Finance Committee.

## COMMITTEE MEMBER COMMENTS

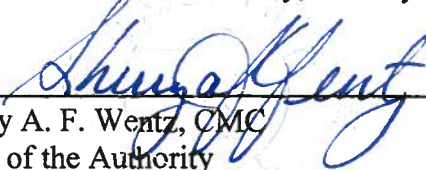
Director Weinberg congratulated Director Murray and Director Swift on their reelection. He also thanked the Chiefs and Treasurer Tricia Jakubiak for all of their hard work while he served on the Budget and Finance Committee.

Director Murray congratulated Director Swift on her reelection and thanked the outgoing Budget and Finance Committee members for their hard work.

Vice Chair McCloskey also commended Chair Bressette on his term as the Budget and Finance Committee Chair and stated he looked forward to chairing the January meeting.

Chair Bressette thanked staff for all of their work on the Comprehensive Annual Financial Report. He also congratulated Director Murray and Director Swift on their reelection. He went on to express his gratitude to the Finance Department and Treasurer Tricia Jakubiak for their hard work while he served on the Budget and Finance Committee.

**ADJOURNMENT** – Chair Bressette adjourned the meeting at 1:19 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, January 14, 2015, at 12:00 noon.

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