

ORANGE COUNTY FIRE AUTHORITY

NEWS RELEASE



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OCFA Board Resolves Unfunded Retiree Medical Insurance Liability

The Orange County Fire Authority (OCFA) Board of Directors approved new labor contracts, or extensions to current agreements, with its three bargaining groups representing the bulk of its more than 1,100 employees at its regularly scheduled meeting tonight.

In doing so, the OCFA has fully resolved a significant \$66 million unfunded liability associated with its Retiree Medical insurance program and secured the benefit into the future. The five-year contracts call for a three-percent cost-of-living adjustment for each year of the contracts. The three bargaining units include the Firefighter Unit (contract expires in 2012), Fire Management Unit (contract expires in 2013) and the General and Supervisory Management Unit (contract expires in 2011).

To resolve the Retiree Medical Insurance program unfunded liability, a challenge facing many public and private entities across the nation, each of OCFA's bargaining units agreed to a mandatory employee contribution of four percent of base salary, on an on-going basis, to the Retiree Medical Trust Fund. The agreement also calls for OCFA to make a one-time cash allocation of \$7 million, with the Orange County Professional Firefighters Local 3631 immediately contributing an additional \$1 million in cash, to the Retiree Medical trust. Additionally, to ensure that no liabilities for Retiree Medical Benefits are created for the future, a new defined contribution program is established for all OCFA employees hired after December 31, 2006.

"These contracts are the result of a collaborative effort between our employees, their negotiation teams, and management," said Keri Wilson, Chair, OCFA Board of Directors. "By all accounts, these contracts are fair and equitable for our employees, while providing OCFA with a stable and predictable financial future."

The Orange County Fire Authority is a joint powers authority that serves as the all-risk emergency response agency for 1.3 million Orange County residents in 22 cities and the unincorporated areas of the county.