

DISCUSSION ON THE PROPOSAL FROM THE ORANGE COUNTY FIRE AUTHORITY FOR FIRE SERVICES AS REQUESTED BY THE CITY COUNCIL (F: 61.1)

City Manager Scott Stiles introduced the item by providing a brief recap of recent meetings between City Staff, the Fire Association, Fire Management Association, the Orange County Fire Authority (OCFA), and three members of the City Council which included Council Member Bui, Council Member Klopfenstein, and Council Member K. Nguyen who met at meetings held on September 19<sup>th</sup>, November 1<sup>st</sup> and November 8<sup>th</sup>. The group has focused on developing a comprehensive comparative analysis that considered the needed resources in terms of costs for replicating OCFA's model. The group further discussed various assumption variables used in the analysis, as well as a sensitivity analysis with regard to salary schedule increases as requested by Mayor Jones. Lastly, the analysis also included consideration and discussion of the Paramedic Salary survey information and base pay data, as well as information of baseline data that would improve the City's competitive range at entry level.

Following Staff's PowerPoint presentation, Mayor Jones opened the floor for discussion by Council Members or members of the public.

Eric Thorson representing the Firefighters Association Local 2005 spoke in strong support for action of the City Council to start negotiations with the Orange County Fire Authority, which he stated would address the issues of response times, recruitment and retention, address increases in call-volume, as well as pension liability.

During discussion Council Member Beard highlighted some concerns which included the Full Cost Recovery component and impact of those fees to businesses in the City. He also noted that a Division Chief position would replace a Fire Chief position with only a certain degree of costs savings to the City. Additionally, he inquired about the potential impacts if the City of Irvine (Irvine) were to withdraw from OCFA; OCFA representatives responded that fire services would not be impacted and overhead costs would be addressed through attrition and reserves, and not passed on to the City. Lastly, Council Member Beard agreed that the consensus is to improve fire services and response times; however, all analyses to date have demonstrated that costs will increase by going to OCFA, and the degree of those increases is dependent on the model applied. He noted that by going to OCFA, the City would forgo local control of the Fire Department; a significant factor that increases the risk of higher costs.

Following further City Council discussion, including questions for representatives speaking on behalf of the Orange County Fire Authority, Mayor Jones made closing remarks in which he acknowledged and agreed with Council Member K. Nguyen that consideration of a contingency plan is important and prudent in the event that a contract cannot be finalized with OCFA. He also noted the importance of potential employment impacts for non-sworn personnel as a result of the transition to OCFA and wants the City to be sensitive and mindful of those impacts during negotiations. Furthermore, he agreed that the City Council needs to keep its

options open. However, he acknowledged the difficulty that if the City were to prepare a plan to stay in-house, the City would need to begin labor negotiations, initiate the hiring of a fire chief, begin to address infrastructure needs, etc., variables which he noted had been included in the spreadsheets so the City should not dismiss any of that information until the City has a signed contract with OCFA.

There being no more comments from the City Council or the public, Mayor Jones moved, seconded by Council Member O'Neill that:

The City Manager be directed to begin negotiations with the Orange County Fire Authority.

The motion carried by a 6-1 vote as follows:

Ayes: (6) O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,  
Jones  
Noes: (1) Beard



**OCFA PROPOSAL REVIEW**

**November 8, 2018**

**COST ANALYSIS Using 2.92% Increase**

**(Original Analysis Using Comparable GG Model (Before Additional Assumptions))**

	FY 2018-19	FY 2019-20	Increase	% Increase
Pension Obligation (Pre-OCFA Unfunded Liability)	3,545,268	4,132,425	587,157	16.56%
Rathred Medical Premium Contribution	83,928	86,026	2,098	2.50%
Labor (2.92%)	17,244,711	17,748,257	503,546	2.92%
Other Operating Costs (2.92%)	3,969,674	4,085,588	115,914	2.92%
<b>Total Fire Budget</b>	<b>24,843,581</b>	<b>26,052,296</b>	<b>1,208,715</b>	<b>4.87%</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(3,000)	2.00%
<b>Net GG Fire Cost To City</b>	<b>24,693,581</b>	<b>25,899,296</b>	<b>1,205,715</b>	<b>4.88%</b>

**Labor & Other Operating Costs Increase (2.92%) = \$619,460**

**Includes potential step increases, increase in retirement, potential cost of living raises**

**COST ANALYSIS Using 4.5% Increase**

**(Original Analysis Using Comparable GG Model (Before Additional Assumptions))**

	FY 2018-19	FY 2019-20	Increase	% Increase
<b>Pension Obligation (Pre-OCFA Unfunded Liability)</b>	<b>3,545,268</b>	<b>4,132,425</b>	<b>587,157</b>	<b>16.56%</b>
<b>Retired Medical Premium Contribution</b>	<b>83,928</b>	<b>86,026</b>	<b>2,098</b>	<b>2.50%</b>
<b>Labor (4.5%)</b>	<b>17,244,711</b>	<b>18,020,723</b>	<b>776,012</b>	<b>4.50%</b>
<b>Other Operating Costs (4.5%)</b>	<b>3,969,674</b>	<b>4,148,309</b>	<b>178,635</b>	<b>4.50%</b>
<b>Total Fire Budget</b>	<b>24,843,581</b>	<b>26,387,484</b>	<b>1,543,903</b>	<b>6.21%</b>
<b>Fire Dept Revenue Offset</b>	<b>(150,000)</b>	<b>(153,000)</b>	<b>(3,000)</b>	<b>2.00%</b>
<b>Net GG Fire Cost To City</b>	<b>24,693,581</b>	<b>26,234,484</b>	<b>1,540,903</b>	<b>6.24%</b>

Labor & Other Operating Costs Increase (4.5%) = \$954,647

Includes potential step increases, increase in retirement, potential cost of living raises

**Sensitivity Analysis – Summary**  
 (Request to Increase Base Fiscal Year 18/19 by 1-5% with  
 Additional Assumptions)

<b>Projected Increase</b>	<b>Increase Amount</b>	<b>Total 10-Year Additional Cost to City (2.92%)</b>	<b>Total 10-Year Additional Cost to City (4.5%)</b>
<b>Base Year FY 18/19</b>	17,483,711	(10,341,526)	(11,014,747)
1%	174,837	(8,344,583)	(8,866,312)
2%	349,674	(6,347,640)	(6,717,877)
3%	524,511	(4,350,698)	(4,569,442)
4%	699,348	(2,353,755)	(2,421,006)
5%	874,186	(356,812)	(272,571)

Item For Discussion	Garden Grove Fire Association	City Administration	Revised Assumptions (Per GG Fire Association Request)
1. Add Training costs for 4 Firefighters (paramedic school)	<p>City currently has 4 Firefighters. Based on the deployment model, these FF will need to attend paramedic school. The cost of over-time needed while 4 FF at school is estimated at: \$350K</p>	<p>Training is approximately \$3,500 for tuition and is already included in the Fire's budget.</p> <p>The overtime cost of sending two FF to paramedic school is already included in the FY 2018-19 budget and therefore already included in the cost analysis.</p> <p>If the City elects to send all four FF at the same time in FY 2018-19, an additional cost and appropriation is needed in the amount of \$175K.</p>	<p>Revised analysis to include \$175K for FY 2018/19.</p>
2. Add costs for Reserve Quint	<p>Association believes a reserve quint is needed in case one goes in for service. The cost for equipment for the quint is estimated at: \$250K</p>	<p>Staff recently received grant funding for miscellaneous fire equipment. Furthermore, \$178K is already budgeted for capital outlay.</p> <p>Additional Cost: \$0</p>	<p>Unchanged</p>
3. Reduce City expense for EOC Coordinator	<p>Association believes a full-time employee at the cost of \$175K is not needed and instead an additional \$11K for assignment pay can be provided to a Police Sergeant to assume EOC management duties.</p>	<p>Staff believes some level of EOC management is needed for the City. Additional research is needed as to what the appropriate level is, whether it is a part-time or full-time position. Staff is to request information from OCF to find out how other contract cash cities manage their EOC.</p> <p>The cost of a part-time coordinator is estimated at \$70K.</p>	<p>Revised analysis to decrease cost of full-time EOC coordinator at \$175K annually to a part-time coordinator estimated at \$70K annually.</p>



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<p>4. Add one Fire Mechanic position</p>	<p>Association believes one additional mechanic is needed to service Fire apparatus equipment in a timely manner. Cost is \$125K</p>	<p>City currently has 1 Full-time mechanic assigned to all fire equipment. The City also has 7 other mechanics who are certified to work on fire equipment. Public safety equipment has top priority in Public Works. Staff believes that no additional mechanics are necessary at this time.</p> <p>Further analysis is needed to determine whether the additional equipment warrants additional staff levels.</p>	<p>Unchanged</p>
<p>5. Reinstate Arson Investigator, 40-hour staff Captain Position</p>	<p>Association believes one additional staff position is needed. Cost: \$239K (Captain pay plus 10% specialty pay)</p>	<p>The current program currently has 6 shift Arson Investigators at a cost of approximately \$75K annually in specialty pay.</p> <p>Staff is open to adding a 40-hour staff Arson Investigator and reducing the number of shift Arson Investigators. Further research is needed to determine the appropriate number of shift Arson Investigators.</p> <p>The reduction in the amount of shift Arson Investigators will offset the cost of the 40-hour investigator. In addition, Investigator duties include background investigations which are currently contracted out. This may result in savings of approximately \$14K-\$63K annually.</p> <p><b>Additional Cost: \$101 – 196K</b></p>	<p>Revised Analysis to include the addition of a 40-hour arson investigator at an estimated cost of \$239K. The cost is offset by \$75K savings from the elimination of shift investigators. Further savings of \$63K for the first year is also achieved from the background investigations. Net Cost for FY 18/19 is \$101K and an estimated \$157,000 for subsequent years.</p>

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<p>6a. Add Additional Quint for Reserve</p>	<p>Association believes additional quint is needed for reserve. Cost: \$136K for ten years</p>	<p>Additional cost analysis is needed.</p>	<p>Revised analysis to include \$81,512 for the purchase of quint.</p>
<p>6b. Add Quint Ongoing maintenance</p>	<p>Ongoing maintenance for additional reserve quint. Cost: \$165K</p>	<p>Additional cost analysis is needed.</p>	<p>Revised analysis to include the maintenance and depreciation of reserve quint; however, cost is offset by the removal of truck #625. Net cost for FY 18/19 is \$31,021.</p>
<p>7. Implement recruitment solution (drop A&amp;B):</p>	<p>Association believes dropping A&amp;B steps is necessary for recruitment issues. They believe by doing this the new average cost of a paramedic should be increased to \$170K for all 42 Paramedics.</p>	<p>Eliminating steps is a labor negotiated item. A paramedic starting at C step would cost an estimated \$139K.  The average cost used in the cost analysis for a paramedic is \$161K.</p>	<p>Unchanged</p>
<p>8. Provide 5% increase to existing labor costs.</p>	<p>Association believes a 5% across the board raise is needed to stay competitive. Estimated Cost is \$900K</p>	<p>Pay raises are a negotiated item.  Further discussion needed as part of labor negotiations.</p>	<p>Unchanged</p>

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<p>9. Management Partner's Estimate for Fire Budget \$26.5 M</p>	<p>Association believes Management Partner's estimate of \$26.5 for the Fire Department should be used in the analysis</p>	<p>Management Partners' provided the City with a long-term forecasting tool, using certain assumptions and data available at the time, including:</p> <ul style="list-style-type: none"><li>• 2% COLA</li><li>• 2% Inflation</li><li>• OES expenses that are not included in the Fire's budget because it is reimbursed by the State</li><li>• Did not include City's 5% budget reduction that was ultimately adopted</li><li>• Inadvertently included City Attorney's Budget</li></ul> <p>On June 26, 2018, Council adopted the amended FY 2018-19 budget for the Fire Department in the amount of \$24.9M.</p>	<p>Unchanged</p>
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## PARAMEDIC SALARY SURVEY

RANK	AGENCY	LOW SALARY	# OF STEPS IN PAYSACLE
1	HUNTINGTON BEACH	\$ 7,072.00	5
2	OCFA	\$ 7,062.57	12
3	ANAHEIM	\$ 7,009.30	6
4	ORANGE	\$ 6,961.34	5
5	NEWPORT BEACH	\$ 6,713.00	8
6	BREA	\$ 6,696.92	11
7	FOUNTAIN VALLEY	\$ 6,585.89	5
8	LAGUNA BEACH	\$ 6,415.20	8
9	COSTA MESA	\$ 6,393.20	7
10	FULLERTON	\$ 5,846.28	6
11	GARDEN GROVE	\$ 5,727.00	9

RANK	AGENCY	HIGH SALARY	# OF STEPS IN PAYSACLE
1	NEWPORT BEACH	\$ 9,437.00	8
2	OCFA	\$ 9,086.41	12
3	ANAHEIM	\$ 8,994.32	6
4	HUNTINGTON BEACH	\$ 8,760.27	5
5	LAGUNA BEACH	\$ 8,674.20	8
6	COSTA MESA	\$ 8,566.80	7
7	GARDEN GROVE	\$ 8,381.00	9
8	BREA	\$ 8,271.36	11
9	ORANGE	\$ 8,243.34	5
10	FOUNTAIN VALLEY	\$ 8,005.19	5
11	FULLERTON	\$ 7,224.28	6

### Garden Grove Paramedic Salary Steps

STEP	SALARY AMOUNT
A	\$ 5,727
B	\$ 6,013
C	\$ 6,314
D	\$ 6,630
E	\$ 6,961
F	\$ 7,309
G	\$ 7,675
H	\$ 8,059
I	\$ 8,381

Note: Base salary only; salary does not include education pays, specialty pays, nor longevity pay.

As of 11/7/18

11/1/2018 - 2.92%

COST ANALYSIS WITH GG FIRE LOCAL 2005 REQUESTED ASSUMPTIONS

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>Original Study Session Estimates (2.92%)</b>											
Total Cost for Fire Services with OCPA	23,819,872	27,524,723	28,431,210	29,833,149	30,903,892	31,861,908	32,866,908	33,706,091	34,674,806	35,870,613	308,441,481
Net Cost of Fire Dept with City	34,893,881	35,899,396	28,974,370	28,143,814	29,244,156	30,200,649	31,198,116	31,906,888	32,844,827	33,809,742	284,913,208
Estimated Projected Savings/(Additional Cost)	1,174,809	(1,825,427)	(1,486,840)	(1,488,339)	(1,213,837)	(1,791,357)	(1,788,792)	(1,709,736)	(1,830,279)	(1,960,171)	(14,228,286)
<b>Revised Estimates with Fire Association Requests</b>											
Annual Contract (2.92%)	22,191,928	22,839,932	23,506,458	24,193,259	24,899,702	25,626,773	26,375,075	27,145,227	27,937,868	28,753,853	233,470,275
Annual Facility Revolving Fund (\$15,000 x 7)	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,050,000
Equipment Replacement (3% Per OCPA)	295,293	304,152	313,276	322,675	332,355	342,326	352,595	363,173	374,068	385,290	3,385,203
Start-Up (0%, 10 Years, \$1,136,225)	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	1,136,225
Capital Improvements Required	0	0	0	0	0	0	0	0	0	0	0
Asbestos Certification	20,740	0	0	0	0	0	0	0	0	0	20,740
Proposal Cost Reimbursement	(75,000)	0	0	0	0	0	0	0	0	0	(75,000)
Total OCPA Estimated Contract Costs	22,881,584	23,362,707	24,039,757	24,734,886	25,430,879	26,187,721	26,946,233	27,727,023	28,530,868	29,387,846	238,987,443
City Continuation of Services Not Included in OCPA	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408	82,016	83,656	766,480
Hammett Clean Up (Ocean Blvd)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	570,000
Records Management	38,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	107,308
Total Additional Services	166,718	142,118	143,546	148,903	146,488	148,004	158,831	137,408	139,016	140,856	1,443,788
Pension Obligation (Pre-OCPA Unfunded Liability)	3,546,288	4,132,423	4,570,860	5,088,056	5,510,997	5,773,377	6,056,843	6,329,800	6,210,798	6,387,122	53,312,348
Retired Medical Premium Contribution	83,928	86,926	89,177	90,381	92,641	94,987	97,331	99,764	102,288	104,816	840,377
Additional Savings: Insurance Premiums	(100,000)	(110,000)	(121,000)	(133,100)	(146,410)	(161,051)	(177,156)	(194,872)	(214,359)	(235,795)	(1,593,742)
Annual Facility Maintenance Savings	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(1,050,000)
Utilities	(88,012)	(90,652)	(93,372)	(96,173)	(99,058)	(102,030)	(105,091)	(108,244)	(111,491)	(114,836)	(1,008,959)
One-time Self Off of Fire Equipment	(190,000)	0	0	0	0	0	0	0	0	0	(190,000)
One-time Fleet Management Cash Availability	(2,589,414)	0	0	0	0	0	0	0	0	0	(2,589,414)
Total Cost for Fire Services with OCPA	23,414,872	27,417,823	28,821,968	29,729,723	30,850,137	31,830,977	32,848,781	33,888,979	34,981,781	35,944,528	286,231,740
Pension Obligation (Pre-OCPA Unfunded Liability)	3,546,288	4,132,423	4,570,860	5,088,056	5,510,997	5,773,377	6,056,843	6,329,800	6,210,798	6,387,122	53,312,348
Retired Medical Premium Contribution	83,928	86,926	89,177	90,381	92,641	94,987	97,331	99,764	102,288	104,816	840,377
Other Operating Costs (2.92%)	17,244,711	17,748,257	18,266,506	18,799,888	19,348,844	19,913,831	20,495,314	21,093,778	21,709,716	22,343,640	196,964,483
Fire Investigator	3,969,674	4,065,588	4,204,888	4,327,870	4,454,038	4,584,096	4,717,952	4,855,716	4,997,503	5,143,430	45,340,556
Less Savings from Arson Program	(138,000)	(89,000)	(89,000)	(94,273)	(97,026)	(99,859)	(102,759)	(105,716)	(108,665)	(112,044)	(1,039,219)
Reserve Quilt Purchase	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	815,120
Reserve Quilt Maintenance	165,000	169,818	174,777	179,880	185,133	190,539	196,102	201,828	207,722	213,787	1,884,986
Less Current Maintenance # 625	(133,979)	(137,891)	(141,918)	(146,062)	(150,327)	(154,716)	(159,234)	(163,883)	(168,669)	(173,594)	(1,530,272)
Additional Paramedic School Cost	175,000	0	0	0	0	0	0	0	0	0	175,000
Additional Labor Increase in FY 18/19 0%	0	0	0	0	0	0	0	0	0	0	0
Total Fire Budget	25,232,114	29,322,714	27,406,164	28,584,666	29,897,974	30,889,628	31,846,796	32,828,184	33,332,897	34,308,335	299,592,672
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,000)	(159,181)	(162,365)	(165,549)	(168,724)	(171,908)	(175,092)	(178,276)	(1,642,458)
Net Cost of Fire Dept with City	25,082,114	29,169,714	27,250,164	28,425,485	29,735,609	30,724,179	31,678,072	32,716,276	33,157,805	34,129,059	297,950,214
Estimated Projected Savings/(Additional Cost)	1,680,042	(1,247,910)	(1,271,664)	(1,298,269)	(1,216,728)	(1,343,862)	(1,350,879)	(1,354,873)	(1,357,108)	(1,415,487)	(10,341,341)

**SENSITIVITY ANALYSIS (INCREASE TO BASE YEAR 2018-19 AND 2.92% FOR FUTURE YEARS)**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
Total Net Budget with City 1% (\$174,837)	28,296,981	26,349,656	27,435,800	28,616,929	29,727,778	30,699,014	31,705,666	32,428,742	33,377,214	34,355,604	289,947,157
Savings	1,843,878	(1,067,867)	(1,086,488)	(1,184,883)	(1,122,857)	(1,139,964)	(1,143,085)	(1,159,237)	(1,174,887)	(1,195,924)	(8,344,583)

Total Net Budget with City 2% (\$349,674)	28,431,788	24,529,899	27,830,887	28,996,834	29,923,848	30,897,912	31,913,459	32,840,404	33,987,320	34,882,137	301,944,100
Savings	2,017,216	(888,025)	(901,371)	(914,089)	(928,387)	(938,085)	(939,291)	(948,376)	(954,481)	(962,891)	(6,287,840)

Total Net Budget with City 3% (\$524,511)	25,606,825	28,709,841	27,905,894	28,997,238	30,120,120	31,099,810	32,124,283	32,884,469	33,817,426	34,800,871	303,641,043
Savings	2,152,883	(708,863)	(716,074)	(723,484)	(730,217)	(736,187)	(727,888)	(731,815)	(734,385)	(738,888)	(4,396,090)

Total Net Budget with City 4% (\$699,348)	25,781,482	26,889,483	27,991,091	28,187,843	30,316,290	31,301,709	32,326,047	33,088,326	34,037,832	35,035,204	305,937,986
Savings	2,367,391	(328,140)	(330,878)	(332,880)	(334,847)	(334,269)	(319,704)	(317,853)	(314,249)	(309,328)	(2,383,758)

Total Net Budget with City 5% (\$874,186)	25,956,200	27,069,426	28,176,287	28,376,447	30,513,460	31,503,607	32,536,848	33,282,187	34,257,428	35,261,737	307,934,928
Savings	2,542,228	(348,196)	(349,691)	(342,376)	(337,877)	(332,371)	(311,910)	(303,792)	(294,143)	(287,792)	(396,612)

**11/1/2018 - 4.5%**

**COST ANALYSIS WITH GG FIRE LOCAL 2005 REQUESTED ASSUMPTIONS**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>Original Study Session Estimate (4.5%)</b>											
<b>Total Cost for Fire Services with OCFA</b>	23,519,072	27,876,358	29,358,483	30,843,887	32,328,577	33,813,267	35,297,961	36,782,655	38,267,349	39,752,043	328,876,243
<b>Net Cost of Fire Dept with City</b>	24,653,881	28,234,484	27,889,810	28,236,354	30,739,822	32,139,705	33,611,597	34,937,300	36,306,268	37,646,267	313,208,970
<b>Estimated Projected Savings/(Additional Cost)</b>	(1,134,809)	(1,640,872)	(1,688,876)	(1,739,174)	(1,788,786)	(1,840,698)	(1,892,600)	(1,944,502)	(1,996,404)	(2,048,306)	(15,373,273)
<b>Revised Estimates with Fire Association Requests</b>											
<b>Annual Contract (4.5%)</b>	22,191,928	23,190,565	24,234,140	25,324,676	26,464,287	27,653,180	28,891,663	30,200,148	31,559,154	32,975,316	274,895,058
<b>Annual Facility Revolving Fund (\$15,000 x 7)</b>	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,050,000
<b>Equipment Replacement (3% Per OCFA)</b>	295,293	304,152	313,276	322,675	332,355	342,326	352,595	363,173	374,068	385,290	3,385,203
<b>Start-Up (0%, 10 Years, \$1,136,225)</b>	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	1,136,225
<b>Capital Improvements Required</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Ambulance Certification</b>	20,740	0	0	0	0	0	0	0	0	0	20,740
<b>Proposal Cost Reimbursement</b>	(75,000)	0	0	0	0	0	0	0	0	0	(75,000)
<b>Total OCFA Estimated Contract Costs</b>	22,685,884	23,713,339	24,766,039	25,865,974	27,015,264	28,216,128	29,470,881	30,781,943	32,151,845	33,583,229	278,216,236
<b>City Continuation of Services Not Included in OCFA</b>											
<b>Add Position for EOC Management</b>	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408	82,016	83,656	766,490
<b>Hazmat Clean Up (Ocean Blue)</b>	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	570,000
<b>Records Management</b>	38,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	13,718	107,308
<b>Total Additional Services</b>	165,718	142,118	143,546	145,003	146,488	148,004	149,531	151,088	152,616	154,166	1,443,798
<b>Pension Obligation (Pre-OCFA Unfunded Liability)</b>	3,545,268	4,132,425	4,570,860	5,085,056	5,510,987	5,979,377	6,494,543	7,062,900	7,689,788	8,381,222	83,312,346
<b>Retired Medical Premium Contribution</b>	83,928	86,926	90,226	93,811	97,681	101,831	106,261	110,981	115,991	121,301	940,277
<b>Total Projected Costs</b>	28,446,488	28,073,988	29,548,822	31,186,413	32,795,300	34,532,463	36,419,885	38,464,931	40,689,916	43,120,822	333,812,638
<b>Additional Savings: Insurance Premiums</b>	(100,000)	(110,000)	(121,000)	(133,100)	(146,410)	(161,051)	(177,156)	(194,872)	(214,359)	(235,795)	(1,593,742)
<b>Annual Facility Maintenance Savings</b>	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(1,050,000)
<b>Utilities</b>	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(86,012)	(860,112)
<b>One Time Sell Off of Fire Equipment</b>	(190,000)	0	0	0	0	0	0	0	0	0	(190,000)
<b>One-Time Fleet Management Cash Availability</b>	(2,549,414)	0	0	0	0	0	0	0	0	0	(2,549,414)
<b>Total Cost for Fire Services with OCFA</b>	23,414,072	27,768,256	29,249,250	30,852,140	32,414,922	34,064,384	35,773,239	37,540,000	39,409,000	41,390,122	327,530,523
<b>Pension Obligation (Pre-OCFA Unfunded Liability)</b>	3,545,268	4,132,425	4,570,860	5,085,056	5,510,987	5,979,377	6,494,543	7,062,900	7,689,788	8,381,222	83,312,346
<b>Retired Medical Premium Contribution</b>	83,928	86,926	90,226	93,811	97,681	101,831	106,261	110,981	115,991	121,301	940,277
<b>Labor (4.5%)</b>	17,244,711	18,026,723	18,831,656	19,679,080	20,564,639	21,490,047	22,457,099	23,467,669	24,523,714	25,627,281	211,906,619
<b>Other Operating Costs (4.5%)</b>	3,969,674	4,148,309	4,334,983	4,530,057	4,733,810	4,946,936	5,169,548	5,402,178	5,645,276	5,899,313	48,790,185
<b>Fire Investigator</b>	239,000	249,755	260,994	272,739	285,012	297,837	311,240	325,246	339,882	355,177	2,936,882
<b>Less Savings from Aton Program</b>	(138,000)	(89,000)	(89,000)	(97,190)	(101,564)	(106,134)	(110,910)	(115,901)	(121,117)	(126,567)	(1,099,388)
<b>Reserve Quilt Purchase</b>	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	81,512	815,120
<b>Reserve Quilt Maintenance</b>	165,000	172,425	180,184	188,292	196,766	205,620	214,873	224,542	234,647	245,206	2,027,555
<b>Less Current Maintenance #625</b>	(133,979)	(140,008)	(146,308)	(152,892)	(159,772)	(166,962)	(174,476)	(182,327)	(190,532)	(199,106)	(1,646,362)
<b>Additional Paramedic School Cost</b>	175,000	0	0	0	0	0	0	0	0	0	175,000
<b>Total Fire Budget</b>	25,232,114	26,642,167	28,109,852	29,677,035	31,304,140	33,017,190	34,822,761	36,732,583	38,746,439	40,864,753	318,448,235
<b>Additional Labor Increase in FY 18/19</b>	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(1,500,000)
<b>Fire Dept Revenue Offset</b>	25,082,114	26,509,167	27,952,992	29,517,035	31,154,140	32,867,190	34,652,761	36,522,583	38,476,439	40,514,753	316,948,235
<b>Estimated Projected Savings/(Additional Cost)</b>	1,648,042	(1,259,088)	(1,286,258)	(1,334,280)	(1,373,167)	(1,412,006)	(1,450,822)	(1,489,569)	(1,528,249)	(1,566,866)	(11,014,747)

**SENSITIVITY ANALYSIS (INCREASE TO BASE YEAR 2018-19 AND 4.5% FOR FUTURE YEARS)**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
Total Net Budget with City 1% (\$174,537)	25,256,951	26,591,872	28,143,919	29,717,372	31,250,271	32,669,457	34,161,520	35,398,209	36,899,326	38,465,314	318,654,212
Savings	1,847,879	(1,076,384)	(1,105,331)	(1,134,768)	(1,164,651)	(1,194,927)	(1,211,819)	(1,242,691)	(1,273,742)	(1,304,878)	(8,866,312)

Total Net Budget with City 2% (\$349,674)	25,431,788	26,874,577	28,334,845	29,916,891	31,458,768	32,887,336	34,389,203	35,636,139	37,147,962	38,725,138	320,802,647
Savings	2,017,716	(893,679)	(914,405)	(935,250)	(956,154)	(977,048)	(984,136)	(1,004,762)	(1,025,106)	(1,045,054)	(6,717,877)

Total Net Budget with City 3% (\$524,511)	25,606,625	27,057,282	28,525,772	30,116,408	31,667,264	33,105,215	34,616,887	35,874,068	37,396,598	38,984,963	322,951,082
Savings	2,192,553	(710,974)	(723,478)	(735,732)	(747,658)	(759,170)	(756,452)	(766,833)	(776,470)	(785,229)	(4,569,442)

Total Net Budget with City 4% (\$699,348)	25,781,462	27,239,987	28,716,698	30,315,927	31,875,761	33,323,094	34,844,570	36,111,997	37,645,234	39,244,787	325,099,517
Savings	2,367,391	(528,269)	(532,552)	(536,213)	(539,161)	(541,291)	(528,769)	(528,903)	(527,834)	(525,404)	(2,421,006)

Total Net Budget with City 5% (\$874,186)	25,956,300	27,422,691	28,907,625	30,515,445	32,084,258	33,540,972	35,072,253	36,349,926	37,893,870	39,504,612	327,247,952
Savings	2,542,228	(345,565)	(341,625)	(336,695)	(330,665)	(323,412)	(301,085)	(290,974)	(279,198)	(265,580)	(272,571)





# OCFA PROPOSAL UPDATE

SEPTEMBER 25, 2018

# OCFA CONTRACT PROPOSAL

- ▶ Contract Proposal Cost - \$22,191,928
- ▶ Capped at 4.5% Annually
- ▶ Recapture Clause
- ▶ Average increase 2.92%
- ▶ Option to Withdraw Every 10 Years (Year 2030)
- ▶ Personnel
- ▶ Equipment Maintenance & Replacement
- ▶ Routine Station Maintenance
- ▶ Plan Check Services
- ▶ Administration
- ▶ 1 Member on the OCFA Board of Directors

# Changes in Assumptions

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- ▶ City Budget Adjustment
  - ▶ Council Approved Amendment June 2018 (Includes Budget Reductions & Elimination of 1 Full-Time Department Secretary Position)
  - ▶ Itemizes Unfunded Liability, Labor, and Other Operating Costs
- ▶ Start-Up Costs
  - ▶ 5-Year to 10-Year Amortization
- ▶ Proposal Cost Offset (\$75,000)
- ▶ Capital Improvement Costs
  - ▶ Not Required in 1<sup>st</sup> Year
  - ▶ Improvements Require Future Agreement with City
- ▶ Vehicle Replacement Savings
- ▶ Adjustment to Pension Obligation (Valuation Report - August 2018)
- ▶ Assumes Additional Labor & Operating Cost Increases
- ▶ Comparison of Costs to OCFA's Deployment Model



# Deployment Cost Comparisons

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Scenario #1 Current GG		Scenario #2 Comparable GGFD		Scenario #3 Contract with OCA		
Description:	FY 18-19 Avg. Tot Comp	Current GG Auth Pos List	Total GG Current Costs	Number of Positions (OCA Proposal Deployments)	Estimated Cost Using OCA Model	TOTAL COST OF FIRE SERVICES IF CONTRACTED WITH OCA
<b>ADMIN</b>						
Department Secretary	102,675	1	102,675	1	102,675	
Public Safety Fiscal Analyst	112,135	1	112,135	1	112,135	
Sr. Fire Protection Specialist	140,610	2	281,220	2	281,220	
Fire Chief	394,767	1	394,767	1	394,767	
Fire Division Chief	280,668	2	561,336	2	561,336	
Fire Battalion Chief	248,782	0	-	1	248,782	
Fire Captain	217,311	2	434,622	1	217,311	
Fire Battalion Chief	248,782	3	746,346	3	746,346	
Fire Captain	217,311	24	5,215,464	21	4,563,531	
Fire Engineer	185,770	24	4,458,480	21	3,901,170	
Firefighter (Constant Manning)	120,191	4	480,764	4	480,764	
Firefighter	133,595	6	801,570	0	-	
Firefighter/Paramedic	161,086	30	4,832,580	42	6,765,612	
		100	18,421,959	100	18,375,649	N/A
<b>FRONT-LINE</b>						
<b>OTHER OPERATING COSTS</b>						
Part Time			58,281		58,281	
Over-Time			2,439,977		2,439,977	
Other Costs			1,222,407		1,222,407	
Contractuals			438,910		438,910	
Commodities			82,701		82,701	
Tel/Keoper			1,772,611		1,772,611	
Equip Pool Rental			16,211		16,211	
Stores-Non Stock			130,166		130,166	
Info Systems			99,934		99,934	
Insurance-Liab/Prop			178,200		178,200	
Capital Outlay			6,439,398		6,439,398	
			24,861,357		24,815,047	22,296,928
<b>LABOR &amp; OTHER OPERATING COSTS</b>						
<b>ADDITIONAL EQUIPMENT</b>						
Addition of a Quint			N/A		134,272	
Equip Rental Rate for Quint			N/A		165,000	
Less 1 Squad (#880 Annual Rate)			N/A		(45,228)	
Less 2 Engines (#555, 556 Annual Rate)			N/A		(225,510)	
Additional Equipment Subtotal			N/A		28,534	285,293
			24,861,357		24,843,581	21,592,221
<b>TOTAL COST FOR FIRE SERVICES</b>						
Revenue Offset			(150,000)		(150,000)	N/A
Additional Services			Included		Included	270,718
Pension Obligation			Included		Included	3,545,268
Retired Medical Premium			Included		Included	83,928
Additional Savings (Excl. One-Time)			-		-	(293,012)
			24,711,357		24,693,581	26,199,123

# 10-Year Forecast - (2.92% Increase)

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	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>CITY COSTS WITH OCFA</b>											
Annual Contract (2.92%)	22,191,928	22,839,932	23,506,858	24,193,259	24,899,702	25,626,773	26,375,075	27,145,227	27,937,868	28,753,653	253,470,275
Annual Facility Revolving Fund (\$15,000 x 7)	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,050,000
Equipment Replacement (3% Per OCFA)	295,293	304,152	313,276	322,675	332,355	342,326	352,595	363,173	374,068	385,290	3,385,203
Start -Up (0%, 10 Years, \$1,136,225)	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	1,136,225
Capital Improvements Required	0	0	0	0	0	0	0	0	0	0	0
Asbestos Certification	20,740	0	0	0	0	0	0	0	0	0	20,740
Proposal Cost Reimbursement	(75,000)	0	0	0	0	0	0	0	0	0	(75,000)
<b>Total OCFA Estimated Contract Costs</b>	<b>22,651,584</b>	<b>23,362,707</b>	<b>24,038,757</b>	<b>24,734,556</b>	<b>25,450,679</b>	<b>26,187,771</b>	<b>26,946,293</b>	<b>27,727,023</b>	<b>28,530,558</b>	<b>29,357,566</b>	<b>258,987,443</b>
City Continuation of Services Not Included In OCFA											
Add Position for EOC Management	175,000	178,500	182,070	185,711	189,426	193,214	197,078	201,020	205,040	209,141	1,916,201
Hazmat Clean Up (Ocean Blue)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	570,000
Records Management	38,718	13,718	13,718	13,718	13,718	13,718	0	0	0	0	107,308
<b>Total Additional Services</b>	<b>270,718</b>	<b>249,218</b>	<b>252,788</b>	<b>256,429</b>	<b>260,144</b>	<b>263,932</b>	<b>254,078</b>	<b>258,020</b>	<b>262,040</b>	<b>266,141</b>	<b>2,593,509</b>
Pension Obligation (Pre-OCFA Unfunded Liability)	3,545,268	4,132,425	4,570,860	5,085,056	5,510,997	5,773,377	6,056,543	6,029,900	6,210,798	6,397,122	53,312,346
Retired Medical Premium Contribution	83,928	86,026	88,177	90,381	92,641	94,957	97,331	99,764	102,258	104,815	940,277
<b>Total Budgetary Costs</b>	<b>26,551,456</b>	<b>27,839,376</b>	<b>28,956,543</b>	<b>30,180,422</b>	<b>31,143,963</b>	<b>32,319,987</b>	<b>33,394,743</b>	<b>34,174,707</b>	<b>35,109,653</b>	<b>35,122,944</b>	<b>315,832,578</b>
Additional Savings: Insurance Premiums	(100,000)	(110,000)	(121,000)	(133,100)	(146,410)	(161,051)	(177,156)	(194,872)	(214,359)	(235,795)	(1,593,742)
Annual Facility Maintenance Savings	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(1,050,000)
Utilities	(88,012)	(90,652)	(93,372)	(96,173)	(99,058)	(102,030)	(105,091)	(108,244)	(111,491)	(114,836)	(1,008,960)
<i>One time Sell Off of Fire Equipment</i>	<i>(190,000)</i>	0	0	0	0	0	0	0	0	0	(190,000)
<i>One-time Fleet Management Cash Availability</i>	<i>(2,549,414)</i>	0	0	0	0	0	0	0	0	0	(2,549,414)
<b>Total Cost for Fire Services with OCFA</b>	<b>23,519,072</b>	<b>27,524,723</b>	<b>28,631,210</b>	<b>29,832,147</b>	<b>30,963,992</b>	<b>32,151,906</b>	<b>33,266,938</b>	<b>34,204,531</b>	<b>35,174,805</b>	<b>35,670,613</b>	<b>309,441,669</b>
<b>CITY COSTS</b>											
Pension Obligation (Pre-OCFA Unfunded Liability)	3,545,268	4,132,425	4,570,860	5,085,056	5,510,997	5,773,377	6,056,543	6,029,900	6,210,798	6,397,122	53,312,346
Retired Medical Premium Contribution	83,928	86,026	88,177	90,381	92,641	94,957	97,331	99,764	102,258	104,815	940,277
Labor (2.92%)	17,244,711	17,748,257	18,266,506	18,799,888	19,348,844	19,913,831	20,495,314	21,093,778	21,709,716	22,343,640	196,964,483
Other Operating Costs (2.92%)	3,969,674	4,085,588	4,204,888	4,327,670	4,454,038	4,584,096	4,717,952	4,855,716	4,997,503	5,143,430	45,340,556
<b>Total Fire Budget</b>	<b>24,849,581</b>	<b>26,052,296</b>	<b>27,130,430</b>	<b>28,302,995</b>	<b>29,406,521</b>	<b>30,366,261</b>	<b>31,367,140</b>	<b>32,079,158</b>	<b>33,020,275</b>	<b>33,989,006</b>	<b>296,557,664</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)	(179,264)	(1,642,458)
<b>Net Cost of Fire Dept with City</b>	<b>24,699,581</b>	<b>25,899,296</b>	<b>26,974,370</b>	<b>28,143,814</b>	<b>29,244,156</b>	<b>30,200,649</b>	<b>31,198,216</b>	<b>31,906,855</b>	<b>32,844,527</b>	<b>33,809,742</b>	<b>294,915,205</b>
<b>Estimated Projected Savings/(Additional Cost)</b>	<b>1,174,509</b>	<b>(1,625,427)</b>	<b>(3,656,840)</b>	<b>(1,688,335)</b>	<b>(1,719,837)</b>	<b>(1,751,257)</b>	<b>(1,788,782)</b>	<b>(1,799,736)</b>	<b>(1,830,279)</b>	<b>(1,860,271)</b>	<b>(14,526,255)</b>



# 10-Year Forecast - (4.5% Increase)

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	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>CITY COSTS WITH OCFA</b>											
Annual Contract (4.5%)	22,191,928	23,190,565	24,234,140	25,324,676	26,464,287	27,655,180	28,899,663	30,200,148	31,559,154	32,979,316	272,699,058
Annual Facility Revolving Fund (\$15,000 x 7)	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,050,000
Equipment Replacement (3% Per OCFA)	295,293	304,152	313,276	322,675	332,355	342,326	352,595	363,173	374,068	385,290	3,385,203
Start - Up (0%, 10 Years, \$1,136,225)	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	113,623	1,136,225
Capital Improvements Required	0	0	0	0	0	0	0	0	0	0	0
Asbestos Certification	20,740	0	0	0	0	0	0	0	0	0	20,740
Proposal Cost Reimbursement	(75,000)	0	0	0	0	0	0	0	0	0	(75,000)
<b>Total OCFA Estimated Contract Costs</b>	<b>22,651,584</b>	<b>23,713,339</b>	<b>24,766,039</b>	<b>25,865,974</b>	<b>27,015,264</b>	<b>28,216,128</b>	<b>29,470,881</b>	<b>30,781,943</b>	<b>32,151,845</b>	<b>33,583,229</b>	<b>278,216,226</b>
City Continuation of Services Not Included In OCFA											
Add Position for EOC Management	175,000	178,500	182,070	185,711	189,426	193,214	197,078	201,020	205,040	209,141	1,916,201
Hazmat Clean Up (Ocean Blue)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	570,000
Records Management	38,718	13,718	13,718	13,718	13,718	13,718	0	0	0	0	107,308
<b>Total Additional Services</b>	<b>270,718</b>	<b>249,218</b>	<b>252,788</b>	<b>256,429</b>	<b>260,144</b>	<b>263,932</b>	<b>254,078</b>	<b>258,020</b>	<b>262,040</b>	<b>266,141</b>	<b>2,593,509</b>
Pension Obligation (Pre-OCFA Unfunded Liability)	3,545,268	4,132,425	4,570,860	5,085,056	5,510,997	5,773,377	6,056,543	6,029,900	6,210,798	6,397,122	53,312,346
Retired Medical Premium Contribution	83,928	86,026	88,177	90,381	92,641	94,957	97,331	99,764	102,258	104,815	940,277
<b>Total Projected Cash</b>	<b>24,551,498</b>	<b>26,181,098</b>	<b>29,677,694</b>	<b>31,287,849</b>	<b>32,879,045</b>	<b>34,349,394</b>	<b>35,878,813</b>	<b>37,159,628</b>	<b>38,726,942</b>	<b>40,351,207</b>	<b>333,082,359</b>
Additional Savings: Insurance Premiums	(100,000)	(110,000)	(121,000)	(133,100)	(146,410)	(161,051)	(177,156)	(194,872)	(214,359)	(235,795)	(1,593,742)
Annual Facility Maintenance Savings	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(1,050,000)
Utilities	(88,012)	(90,652)	(93,372)	(96,173)	(99,058)	(102,030)	(105,091)	(108,244)	(111,491)	(114,836)	(1,008,960)
<b>One-time Sell Off of Fire Equipment</b>	<b>(190,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(190,000)</b>
<b>One-time Fleet Management Cash Availability</b>	<b>(2,549,414)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,549,414)</b>
<b>Total Cost for Fire Services with OCFA</b>	<b>22,519,072</b>	<b>27,875,356</b>	<b>29,358,492</b>	<b>30,963,667</b>	<b>32,528,577</b>	<b>33,989,313</b>	<b>35,491,584</b>	<b>36,741,512</b>	<b>38,246,692</b>	<b>39,895,676</b>	<b>328,676,343</b>
<b>CITY COSTS</b>											
Pension Obligation (Pre-OCFA Unfunded Liability)	3,545,268	4,132,425	4,570,860	5,085,056	5,510,997	5,773,377	6,056,543	6,029,900	6,210,798	6,397,122	53,312,346
Retired Medical Premium Contribution	83,928	86,026	88,177	90,381	92,641	94,957	97,331	99,764	102,258	104,815	940,277
Labor (4.5%)	17,244,711	18,020,723	18,831,656	19,679,080	20,564,639	21,490,047	22,457,099	23,467,669	24,523,714	25,627,281	211,906,619
Other Operating Costs (4.5%)	3,969,674	4,148,309	4,334,983	4,530,057	4,733,910	4,946,936	5,169,548	5,402,178	5,645,276	5,899,313	48,780,185
<b>Total Fire Budget</b>	<b>24,843,581</b>	<b>26,387,484</b>	<b>27,825,676</b>	<b>29,384,575</b>	<b>30,902,187</b>	<b>32,305,317</b>	<b>33,780,521</b>	<b>34,999,511</b>	<b>36,482,046</b>	<b>38,028,531</b>	<b>314,939,428</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)	(179,264)	(1,642,458)
<b>Net Cost of Fire Dept with City</b>	<b>24,693,581</b>	<b>26,234,484</b>	<b>27,669,616</b>	<b>29,225,394</b>	<b>30,739,822</b>	<b>32,139,705</b>	<b>33,611,597</b>	<b>34,827,208</b>	<b>36,306,298</b>	<b>37,849,267</b>	<b>313,296,970</b>
<b>Estimated Projected Savings / (Additional Cost)</b>	<b>1,174,509</b>	<b>(1,640,872)</b>	<b>(1,608,876)</b>	<b>(1,738,174)</b>	<b>(1,788,756)</b>	<b>(1,840,608)</b>	<b>(1,879,989)</b>	<b>(1,934,304)</b>	<b>(1,989,795)</b>	<b>(2,046,409)</b>	<b>(15,373,273)</b>

# QUESTIONS?

Item For Discussion	Garden Grove Fire Association	Staff
<p>1. Add Training costs for 4 Firefighters (paramedic school)</p>	<p>City currently has 4 Firefighters. Based on the deployment model, these FF will need to attend paramedic school. The cost of over-time needed while 4 FF at school is estimated at: \$350K</p>	<p>Training is approximately \$3,500 for tuition and is already included in the Fire's budget.</p> <p>The overtime cost of sending two FF to paramedic school is already included in the FY 2018-19 budget and therefore already included in the cost analysis.</p> <p>If the City elects to send all four FF at the same time in FY 2018-19, an additional cost and appropriation is needed in the amount of \$175K.</p>
<p>2. Add costs for Reserve Quint</p>	<p>Association believes a reserve quint is needed in case one goes in for service. The cost for equipment for the quint is estimated at: \$250K</p>	<p>Staff recently received grant funding for miscellaneous fire equipment. Furthermore, \$178K is already budgeted for capital outlay.</p> <p>Additional Cost: \$0</p>
<p>3. Reduce City expense for EOC Coordinator</p>	<p>Association believes a full-time employee at the cost of \$175K is not needed and instead an additional \$11K for assignment pay can be provided to a Police Sergeant to assume EOC management duties.</p>	<p>Staff believes some level of EOC management is needed for the City. Additional research is needed as to what the appropriate level is, whether it is a part-time or full-time position. Staff is to request information from OCFAs to find out how other contract cash cities manage their EOC.</p> <p>The cost of a part-time coordinator is estimated at \$70K.</p>

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<p>4. Add one Fire Mechanic position</p>	<p>Association believes one additional mechanic is needed to service Fire apparatus equipment in a timely manner. Cost is \$125K</p>	<p>City currently has 1 Full-time mechanic assigned to all fire equipment. The City also has 7 other mechanics who are certified to work on fire equipment. Public safety equipment has top priority in Public Works. Staff believes that no additional mechanics are necessary at this time.  Further analysis is needed to determine whether the additional equipment warrants additional staff levels.</p>
<p>5. Reinstate Arson Investigator, 40-hour staff Captain Position</p>	<p>Association believes one additional staff position is needed. Cost: \$239K (Captain pay plus 10% specialty pay)</p>	<p>The current program currently has 6 shift Arson Investigators at a cost of approximately \$75K annually in specialty pay.  Staff is open to adding a 40-hour staff Arson Investigator and reducing the number of shift Arson Investigators. Further research is needed to determine the appropriate number of shift Arson Investigators.  The reduction in the amount of shift Arson Investigators will offset the cost of the 40-hour investigator. In addition, investigator duties include background investigations which are currently contracted out. This may result in savings of approximately \$14K-\$63K annually.  Additional Cost: \$101 - 196K</p>

6a. Add Additional Quint for Reserve	Association believes additional quint is needed for reserve. Cost: \$136K for ten years	Additional cost analysis is needed.
6b. Add Quint Ongoing maintenance	Ongoing maintenance for additional reserve quint. Cost: \$165K	Additional cost analysis is needed.
7. Implement recruitment solution (drop A&B):	Association believes dropping A&B steps is necessary for recruitment issues. They believe by doing this the new average cost of a paramedic should be increased to \$170K for all 42 Paramedics.	Eliminating steps is a labor negotiated item. A paramedic starting at C step would cost an estimated \$139K.  The average cost used in the cost analysis for a paramedic is \$161K.
8. Provide 5% increase to existing labor costs.	Association believes a 5% across the board raise is needed to stay competitive. Estimated Cost is \$900K	Pay raises are a negotiated item.  Further discussion needed as part of labor negotiations.

<p>9. Management Partner's Estimate for Fire Budget \$26.5 M</p>	<p>Association believes Management Partner's estimate of \$26.5 for the Fire Department should be used in the analysis</p>	<p>Management Partners' provided the City with a long-term forecasting tool, using certain assumptions and data available at the time, including:</p> <ul style="list-style-type: none"><li>• 2% COLA</li><li>• 2% Inflation</li><li>• OES expenses that are not included in the Fire's budget because it is reimbursed by the State</li><li>• Did not include City's 5% budget reduction that was ultimately adopted</li><li>• Inadvertently included City Attorney's Budget</li></ul> <p>On June 26, 2018, Council adopted the amended FY 2018-19 budget for the Fire Department in the amount of \$24.9M.</p>
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# OCFA PROPOSAL REVIEW

November 13, 2018

# Study Session Estimate

- Using Similar OCFA Deployment Model
- Estimated Cost Over 10 Years (2.92%): \$14.5 Million

Original Study Session Estimate (2.92%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	10-Year Total
Total Cost for Fire Services with OCFA	23,519,072	27,524,723	28,631,210	29,832,149	30,963,992	309,441,461
Net Cost of Fire Dept with City	24,693,581	25,899,296	26,974,370	28,143,814	29,244,156	294,915,205
Estimated Savings/(Additional Cost)	1,174,509	(1,625,427)	(1,656,840)	(1,688,335)	(1,719,837)	(14,526,256)

**Cost Analysis Using 2.92% Increase  
(Original Analysis Using Comparable GG Model –  
Before Additional Assumptions)**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Increase</b>	<b>% Increase</b>
<b>Pension Obligation (Pre-OCFA Unfunded Liability)</b>	<b>3,545,268</b>	<b>4,132,425</b>	<b>587,157</b>	<b>16.56%</b>
<b>Retired Medical Premium Contribution</b>	<b>83,928</b>	<b>86,026</b>	<b>2,098</b>	<b>2.50%</b>
Labor (2.92%)	17,244,711	17,748,257	503,546	2.92%
Other Operating Costs (2.92%)	3,969,674	4,085,588	115,914	2.92%
<b>Total Fire Budget</b>	<b>24,843,581</b>	<b>26,052,296</b>	<b>1,208,715</b>	<b>4.87%</b>
Fire Dept. Revenue Offset	(150,000)	(153,000)	(3,000)	2.00%
<b>Net GG Fire Cost To City</b>	<b>24,693,581</b>	<b>25,899,296</b>	<b>1,205,715</b>	<b>4.88%</b>

**Labor & Other Operating Costs Increase (2.92%) = \$619,460**

**Includes potential step increases, increase in retirement, potential cost of living raises**

# Study Session Estimate

- Using Similar OCFA Deployment Model
- Estimated Cost Over 10 Years (4.5%): \$15.4 Million

Original Study Session Estimate (4.5%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	10-Year Total
Total Cost for Fire Services with OCFA	23,519,072	27,875,356	29,358,492	30,963,567	32,528,577	328,670,243
Net Cost of Fire Dept with City	24,693,581	26,234,484	27,669,616	29,225,394	30,739,822	313,296,970
Estimated Savings/(Additional Cost)	1,174,509	(1,640,872)	(1,688,876)	(1,738,174)	(1,788,756)	15,373,273

## Cost Analysis Using 4.5% Increase (Original Analysis Using Comparable GG Model – Before Additional Assumptions)

	FY 2018-19	FY 2019-20	Increase	% Increase
<b>Pension Obligation (Pre-OCFA Unfunded Liability)</b>	<b>3,545,268</b>	<b>4,132,425</b>	<b>587,157</b>	<b>16.56%</b>
<b>Retired Medical Premium Contribution</b>	<b>83,928</b>	<b>86,026</b>	<b>2,098</b>	<b>2.50%</b>
Labor (4.5%)	17,244,711	18,020,723	776,012	4.50%
Other Operating Costs (4.5%)	3,969,674	4,148,309	178,635	4.50%
<b>Total Fire Budget</b>	<b>24,843,581</b>	<b>26,387,484</b>	<b>1,543,903</b>	<b>6.21%</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(3,000)	2.00%
<b>Net GG Fire Cost To City</b>	<b>24,693,581</b>	<b>26,234,484</b>	<b>1,540,903</b>	<b>6.24%</b>

Labor & Other Operating Costs Increase (4.5%) = \$954,647

Includes potential step increases, increase in retirement, potential cost of living raises



# Additional Assumptions By GG Local 2005

- Reduce Emergency Operations Coordinator Position from Full-Time to Part-Time
- Include One-Time Paramedic Training Costs
- Addition of Reserve Quint
- Addition of Full-Time Arson Investigator Position (Fire Captain)

<b>Cost Analysis (Estimated Cost Projection - 2.92%)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>10-Year Total</b>
<b>Total Cost for Fire Services with OCFA</b>	<b>23,414,072</b>	<b>27,417,623</b>	<b>28,521,968</b>	<b>29,720,722</b>	<b>30,850,337</b>	<b>308,291,740</b>
Total City GG Fire Estimated Budget	24,843,581	26,052,296	27,130,430	28,302,995	29,406,521	296,557,663
GG Fire Local 2005 Requested Assumptions	388,533	270,418	275,934	281,611	287,454	3,035,009
<b>Total Fire Budget With Assumptions</b>	<b>25,232,114</b>	<b>26,322,714</b>	<b>27,406,364</b>	<b>28,584,606</b>	<b>29,693,974</b>	<b>299,592,672</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(1,642,458)
<b>Net Cost of Fire Dept with City</b>	<b>25,082,114</b>	<b>26,169,714</b>	<b>27,250,304</b>	<b>28,425,425</b>	<b>29,531,609</b>	<b>297,950,214</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>1,668,042</b>	<b>(1,247,910)</b>	<b>(1,271,664)</b>	<b>(1,295,298)</b>	<b>(1,318,728)</b>	<b>(10,341,526)</b>

# Additional Assumptions By GG Local 2005

- Reduce Emergency Operations Coordinator Position from Full-Time to Part-Time
- Include One-Time Paramedic Training Costs
- Addition of Reserve Quint
- Addition of Full-Time Arson Investigator Position (Fire Captain)

Cost Analysis (Estimated Cost Projection - 4.5%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	10-Year Total
<b>Total Cost for Fire Services with OCFA</b>	<b>23,414,072</b>	<b>27,768,256</b>	<b>29,249,250</b>	<b>30,852,140</b>	<b>32,414,922</b>	<b>327,520,523</b>
Total City GG Fire Estimated Budget	24,843,581	26,387,484	27,825,676	29,384,575	30,902,187	314,939,428
GG Fire Local 2005 Requested Assumptions	388,533	274,684	283,377	292,461	301,953	3,208,806
<b>Total Fire Budget With Assumptions</b>	<b>25,232,114</b>	<b>26,662,167</b>	<b>28,109,052</b>	<b>29,677,035</b>	<b>31,204,140</b>	<b>318,148,235</b>
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(1,642,458)
<b>Net Cost of Fire Dept with City</b>	<b>25,082,114</b>	<b>26,509,167</b>	<b>27,952,992</b>	<b>29,517,854</b>	<b>31,041,775</b>	<b>316,505,777</b>
<b>Estimated Savings / (Additional Cost)</b>	<b>1,668,042</b>	<b>(1,259,088)</b>	<b>(1,296,258)</b>	<b>(1,334,286)</b>	<b>(1,373,147)</b>	<b>(11,014,747)</b>

**Sensitivity Analysis – Summary**  
 (Request to Increase Base Fiscal Year 18/19 by 1-5% with  
 Additional Assumptions)

<b>Projected Increase</b>	<b>Increase Amount</b>	<b>Total 10-Year Additional Cost to City (2.92%)</b>	<b>Total 10-Year Additional Cost to City (4.5%)</b>
Base Year FY 18/19	17,483,711	(10,341,526)	(11,014,747)
1%	174,837	(8,344,583)	(8,866,312)
2%	349,674	(6,347,640)	(6,717,877)
3%	524,511	(4,350,698)	(4,569,442)
4%	699,348	(2,353,755)	(2,421,006)
5%	874,186	(356,812)	(272,571)

# Questions

## STUDY SESSION ESTIMATE (Aug. 28, 2018)

Cost Factor - 2.92%

Original Study Session Estimate (2.92%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	10-Year Total
Total Cost for Fire Services with OCFA	23,519,072	27,524,723	28,631,210	29,832,149	30,963,992	31,951,906	32,966,998	33,706,591	34,674,806	35,670,013	309,441,461
Net Cost of Fire Dept with City	24,693,581	25,899,296	26,974,370	28,143,814	29,244,156	30,200,649	31,198,216	31,906,855	32,844,527	33,809,742	294,915,205
Estimated Savings/(Additional Cost)	1,174,509	(1,625,427)	(1,656,840)	(1,688,335)	(1,719,837)	(1,751,257)	(1,768,782)	(1,799,736)	(1,830,279)	(1,860,271)	(14,526,256)

## COST ANALYSIS WITH GG FIRE LOCAL 2005 REQUESTED ASSUMPTIONS (Nov. 8, 2018)

Cost Analysis (Estimated Cost Projection - 2.92%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
Total Cost for Fire Services with OCFA	23,414,072	27,417,623	28,521,968	29,720,722	30,850,337	31,835,977	32,848,751	33,585,979	34,551,781	35,544,529	308,291,740
Total City GG Fire Estimated Budget	24,843,581	26,052,296	27,130,430	28,302,995	29,406,521	30,366,261	31,367,140	32,079,158	33,020,275	33,989,006	296,557,663
GG Fire Local 2005 Requested Assumptions	388,533	270,418	275,934	281,611	287,454	293,467	299,656	306,026	312,582	319,329	3,035,009
Total Fire Budget With Assumptions	25,232,114	26,322,714	27,406,364	28,584,606	29,693,974	30,659,728	31,666,796	32,385,184	33,332,857	34,308,335	299,592,672
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)	(179,264)	(1,642,458)
Net Cost of Fire Dept with City	25,082,114	26,169,714	27,250,304	28,425,425	29,531,609	30,494,116	31,497,872	32,212,881	33,157,108	34,129,072	297,950,214
Estimated Savings/(Additional Cost)	1,668,042	(1,247,910)	(1,271,664)	(1,295,298)	(1,318,728)	(1,341,862)	(1,350,879)	(1,373,098)	(1,394,673)	(1,415,457)	(10,341,526)

### SENSITIVITY ANALYSIS (INCREASE TO BASE YEAR 2018-19 AND 2.92% FOR FUTURE YEARS)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>Total Net Budget with City 1% (\$174,837)</b>	25,256,951	26,349,656	27,435,500	28,616,029	29,727,779	30,696,014	31,705,666	32,426,742	33,377,214	34,355,604	299,947,157
<b>Estimated Savings/(Additional Cost)</b>	1,842,879	(1,067,967)	(1,086,468)	(1,104,693)	(1,122,557)	(1,139,964)	(1,143,085)	(1,159,237)	(1,174,567)	(1,188,924)	(8,344,583)

<b>Total Net Budget with City 2% (\$349,674)</b>	25,431,788	26,529,599	27,620,697	28,806,634	29,923,949	30,897,912	31,913,459	32,640,604	33,597,320	34,582,137	301,944,100
<b>Estimated Savings/(Additional Cost)</b>	2,017,716	(888,025)	(901,271)	(914,089)	(926,387)	(938,065)	(935,291)	(945,376)	(954,461)	(962,391)	(6,347,640)

<b>Total Net Budget with City 3% (\$524,511)</b>	25,606,625	26,709,541	27,805,894	28,997,238	30,120,120	31,099,810	32,121,253	32,854,465	33,817,426	34,808,671	303,941,043
<b>Estimated Savings/(Additional Cost)</b>	2,192,553	(708,083)	(716,074)	(723,484)	(730,217)	(736,167)	(727,498)	(731,515)	(734,355)	(735,858)	(4,350,698)

<b>Total Net Budget with City 4% (\$699,348)</b>	25,781,462	26,889,483	27,991,091	29,187,843	30,316,290	31,301,709	32,329,047	33,068,326	34,037,532	35,035,204	305,937,986
<b>Estimated Savings/(Additional Cost)</b>	2,367,391	(528,140)	(530,878)	(532,880)	(534,047)	(534,269)	(519,704)	(517,653)	(514,249)	(509,325)	(2,353,755)

<b>Total Net Budget with City 5% (\$874,186)</b>	25,956,300	27,069,426	28,176,287	29,378,447	30,512,460	31,503,607	32,536,840	33,282,187	34,257,638	35,261,737	307,934,928
<b>Estimated Savings/(Additional Cost)</b>	2,542,228	(348,198)	(345,681)	(342,276)	(337,877)	(332,371)	(311,910)	(303,792)	(294,143)	(282,792)	(356,812)

## STUDY SESSION ESTIMATE (Aug. 28, 2018)

Cost Factor - 4.5%

Original Study Session Estimate (4.5%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	10-Year Total
Total Cost for Fire Services with OCFA	23,519,072	27,875,356	29,358,492	30,963,567	32,528,577	33,980,313	35,491,586	36,761,512	38,296,092	39,895,676	328,670,243
Net Cost of Fire Dept with City	24,693,581	26,234,484	27,669,616	29,225,394	30,739,822	32,139,705	33,611,597	34,827,208	36,306,298	37,849,267	313,296,970
Estimated Savings/(Additional Cost)	1,174,509	(1,640,872)	(1,688,876)	(1,738,174)	(1,788,756)	(1,840,608)	(1,879,989)	(1,934,304)	(1,989,795)	(2,046,409)	15,373,273

## COST ANALYSIS WITH GG FIRE LOCAL 2005 REQUESTED ASSUMPTIONS (Nov. 8, 2018)

Cost Analysis (Estimated Cost Projection - 4.5%)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	10-Year Total
Total Cost for Fire Services with OCFA	23,414,072	27,768,256	29,249,250	30,852,140	32,414,922	33,864,384	35,373,339	36,640,900	38,173,068	39,770,192	327,520,523
Total City GG Fire Estimated Budget	24,843,581	26,387,484	27,825,676	29,384,575	30,902,187	32,305,317	33,780,521	34,999,511	36,482,046	38,028,531	314,939,428
GG Fire Local 2005 Requested Assumptions	388,533	274,684	283,377	292,461	301,953	311,873	322,239	333,072	344,392	356,222	3,208,806
Total Fire Budget With Assumptions	25,232,114	26,662,167	28,109,052	29,677,035	31,204,140	32,617,190	34,102,761	35,332,583	36,826,439	38,384,753	318,148,235
Fire Dept Revenue Offset	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)	(179,264)	(1,642,458)
Net Cost of Fire Dept with City	25,082,114	26,509,167	27,952,992	29,517,854	31,041,775	32,451,578	33,933,836	35,160,280	36,650,690	38,205,489	316,505,777
Estimated Savings/(Additional Cost)	1,668,042	(1,259,088)	(1,296,258)	(1,334,286)	(1,373,147)	(1,412,806)	(1,439,502)	(1,480,620)	(1,522,378)	(1,564,703)	(11,014,747)



### SENSITIVITY ANALYSIS (INCREASE TO BASE YEAR 2018-19 AND 4.5% FOR FUTURE YEARS)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
<b>Total Net Budget with City 1% (\$174,837)</b>	<b>25,256,951</b>	<b>26,691,872</b>	<b>28,143,919</b>	<b>29,717,372</b>	<b>31,250,271</b>	<b>32,669,457</b>	<b>34,161,520</b>	<b>35,398,209</b>	<b>36,899,326</b>	<b>38,465,314</b>	<b>318,654,212</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>1,842,879</b>	<b>(1,076,384)</b>	<b>(1,105,331)</b>	<b>(1,134,768)</b>	<b>(1,164,651)</b>	<b>(1,194,927)</b>	<b>(1,211,819)</b>	<b>(1,242,691)</b>	<b>(1,273,742)</b>	<b>(1,304,878)</b>	<b>(8,866,312)</b>

<b>Total Net Budget with City 2% (\$349,674)</b>	<b>25,431,788</b>	<b>26,874,577</b>	<b>28,334,845</b>	<b>29,916,891</b>	<b>31,458,768</b>	<b>32,887,336</b>	<b>34,389,203</b>	<b>35,636,139</b>	<b>37,147,962</b>	<b>38,725,138</b>	<b>320,802,647</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>2,017,716</b>	<b>(893,679)</b>	<b>(914,405)</b>	<b>(935,250)</b>	<b>(956,154)</b>	<b>(977,048)</b>	<b>(984,136)</b>	<b>(1,004,762)</b>	<b>(1,025,106)</b>	<b>(1,045,054)</b>	<b>(6,717,877)</b>

<b>Total Net Budget with City 3% (\$524,511)</b>	<b>25,606,625</b>	<b>27,057,282</b>	<b>28,525,772</b>	<b>30,116,409</b>	<b>31,667,264</b>	<b>33,105,215</b>	<b>34,616,887</b>	<b>35,874,068</b>	<b>37,396,598</b>	<b>38,984,963</b>	<b>322,951,082</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>2,192,553</b>	<b>(710,974)</b>	<b>(723,478)</b>	<b>(735,732)</b>	<b>(747,658)</b>	<b>(759,170)</b>	<b>(756,452)</b>	<b>(766,833)</b>	<b>(776,470)</b>	<b>(785,229)</b>	<b>(4,569,442)</b>

<b>Total Net Budget with City 4% (\$699,348)</b>	<b>25,781,462</b>	<b>27,239,987</b>	<b>28,716,698</b>	<b>30,315,927</b>	<b>31,875,761</b>	<b>33,323,094</b>	<b>34,844,570</b>	<b>36,111,997</b>	<b>37,645,234</b>	<b>39,244,787</b>	<b>325,099,517</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>2,367,391</b>	<b>(528,269)</b>	<b>(532,552)</b>	<b>(536,213)</b>	<b>(539,161)</b>	<b>(541,291)</b>	<b>(528,769)</b>	<b>(528,903)</b>	<b>(527,834)</b>	<b>(525,404)</b>	<b>(2,421,006)</b>

<b>Total Net Budget with City 5% (\$874,186)</b>	<b>25,956,300</b>	<b>27,422,691</b>	<b>28,907,625</b>	<b>30,515,445</b>	<b>32,084,258</b>	<b>33,540,972</b>	<b>35,072,253</b>	<b>36,349,926</b>	<b>37,893,870</b>	<b>39,504,612</b>	<b>327,247,952</b>
<b>Estimated Savings/(Additional Cost)</b>	<b>2,542,228</b>	<b>(345,565)</b>	<b>(341,625)</b>	<b>(336,695)</b>	<b>(330,665)</b>	<b>(323,412)</b>	<b>(301,085)</b>	<b>(290,974)</b>	<b>(279,198)</b>	<b>(265,580)</b>	<b>(272,571)</b>



Zimbra

**Fw: Rejection of OCFA JPA Amendment No. 4****From :** stephen wontrobski <constructionclaims@yahoo.com> Mon, Nov 12, 2018 12:24 PM**Subject :** Fw: Rejection of OCFA JPA Amendment No. 4

📎 2 attachments

**To :** laguna hills City Council <ccouncil@ci.laguna-hills.ca.us>, Teresa Pomeroy City Garden Grove <cityclerk@ggcity.org>, Clerk - Lake Forest <sdsmith@lakeforestca.gov>**Reply To :** stephen wontrobski <constructionclaim@yahoo.com>

--- On Mon, 11/12/18, stephen wontrobski <constructionclaims@yahoo.com> wrote:

> From: stephen wontrobski <constructionclaims@yahoo.com>  
> Subject: Rejection of OCFA JPA Amendment No. 4  
> To: "san clemente city clerk" <cityclerk@san-clemente.org>, "Clerk - Santa Ana City Clerk - Santa Ana" <citycouncil@santa-ana.org>, "City Clerk - Westminster" <ajensen@westminster-ca.gov>, "steve franks city of villa park" <sfranks@villapark.org>, "City Clerk Aliso Viejo Clerk - Aliso Viejo" <city-clerk@cityofalisoviejo.com>, "Clerk - San Juan Capistrano" <cityclerk@sanjuancapistrano.org>, "Clerk - Dana Point" <kward@danapoint.org>, "Clerk - Mission Viejo" <khamman@cityofmissionviejo.org>, "Clerk - Rancho Santa Margarita" <adiaz@cityofrsm.org>, "Clerk City of Irvine" <clerk@cityofirvine.org>, cob.response@hoa.ocgov.com  
> Cc: "ocers steve delaney" <sdelaney@ocers.org>, "Sherry Wentz" <coa@ocfa.org>, "director@emsa.ca.gov" <director@emsa.ca.gov>, "tmccconnell@ochca.com" <tmccconnell@ochca.com>, "clerk anaheim Bass" <tbass@anaheim.net>, "Clerk City of Costa Mesa GREEN" <brenda.green@costamesaca.gov>, "City Fullerton clerk City of Fullerton" <cityclerksoffice@cityoffullerton.com>, gerardg@cityoflapalma.org, "Teresa Pomeroy City Garden Grove" <cityclerk@ggcity.org>  
> Date: Monday, November 12, 2018, 12:22 PM  
> Dear City Clerks,  
>  
> Attached is my November 12, 2018 letter  
> addressing the need to reject OCFA JPA Amendment No. 4.  
> Also attached is my June 5, 2018 letter providing additional  
> information on this subject.  
>  
> Can you please arrange for their  
> distribution to your City Council members.  
>

> In addition, please include these two  
> letters as my written public comment of the agenda item  
> supporting documents package, when this amendment approval  
> request is presented as a City Council agenda item in an  
> upcoming City Council meeting.  
>  
> I thank you for your continued  
> assistance in this distribution matter, which allows your  
> residents to obtain information on major OCFA issues.  
>  
>  
> Sincerely,  
>  
>  
> Stephen Wontrobski

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 **ocfa-Amendment4Rejection-11-12-18.doc**  
34 KB

 **OCFA-MendozaSB302&AB1912-6-5-18.doc**  
45 KB

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Stephen M. Wontrobski  
Mission Viejo, CA 92692

November 12, 2018

Aliso Viejo City Council	Irvine City Council
Dana Point City Council	Villa Park City Council
Laguna Niguel City Council	Orange County Board of Supervisors
Santa Ana City Council	Westminster City Council
San Clemente City Council	Lake Forest City Council
San Juan Capistrano City Council	Laguna Hills City Council

Reference: Red Flag Contract Alert - Proposed OCFA JPA Amendment No. 4  
Duty Owed to City and County Residents to Reject Proposed Amendment

Dear City Council Members and Members of the Orange County Board of Supervisors,

The OCFA JPA previously allowed member cities and the County to withdraw from the OCFA by giving a one year notice of withdrawal. In other words, each JPA member was locked into the OCFA for a one year period. The JPA was subsequently amended, as it currently exists, to lock in member cities for ten year periods. There is a need to amend the JPA and have a member locked into the OCFA for only a one year period. The proposed Amendment No. 4 only addresses the OCFA firefighter pension UAAL "snowball" plan. It is completely silent on the pressing need to amend the JPA to go back to the previous one year member city "lockup".

#### Current Proposed Amendment No.4

I previously reported on countless occasions the problem of the OCFA firefighters pension UAAL at OCERS. The proposed amendment attempts to partially address this problem. For years I advised various OCFA member cities, both Structural Fire Fund (SFF) and Contract City members, that they were all potentially liable for the firefighters UAAL pension costs at OCERS. And for years the OCFA attorney continually advised those member cities that they could not be held liable for those costs. I also advised fiscally responsible member cities to withdraw from the OCFA, while the going was good, to minimize their potential UAAL pension liability exposure down the road. The City of Irvine and Placentia bravely placed their residents interests above those of the OCFA by giving their withdrawal notices to the OCFA.

#### OCFA UAAL Pension Liability Update

The OCFA May 24, 2018 Executive Committee Agenda Item 4A, dealt with the then proposed AB 1912 (Rodriguez) bill to impose OCFA UAAL pension liability on all OCFA member cities. This was a union sponsored bill, which directly worked against the interest of your residents, whom the OCFA is supposed to serve.

Some of my past comments on AB 1912 are as follows:

1. I strongly objected to this bill at the OCFA Executive Committee and Board of Directors meetings.
2. The OCFA proposed to support the bill with union sponsored amendments. This was an absurd recommendation that supported the firefighters union and not your residents and the financial stability of your city. Who is the OCFA supposed to serve, your city residents or the OCFA firefighters union wages and pensions?
3. Whatever happened to that prior OCFA Attorney guarantee that you and your residents could not be held liable for the firefighters' UAAL pension liability? That guarantee has since been thrown out the window.

#### OCFA Hypothetical Pension Liability Calculation

As reported this year by the OCFA, its OCFA Hypothetical Pension Liability determination adds further financial peril to already overcharged cities and the County. Here are the latest UAAL pension liability numbers from the OCFA for some of those cities and the County, which were continually assured in the past that they would never be liable for:

Aliso Viejo - \$6,502,760  
Dana Point - \$10,404,416  
Laguna Niguel - \$13,005,519  
Seal Beach - \$7,803,312

Irvine - \$67,628,701  
Villa Park - \$5,202,208  
Orange County - \$41,617,662  
Westminster - \$19,508,279

#### What Can an OCFA Member City and the County Currently Do?

With a current ten year lockup, what can a city and the County do when faced with the following?

- a) Continued runaway increases in already high OCFA wages, pensions and benefits.
- b) Threat to the financial integrity and stability of a member city.
- c) The desire to switch to private paramedics 911 EMS services to save member city residents and the County millions of dollars in annual OCFA EMS costs.
- d) The desire to switch to private paramedics 911 EMS services to eliminate member city and County residents liability for millions of dollars in future EMS UAAL pension costs.

Under the current ten year lockup, with exceptions for Contract Member cities, the SFF member cities and the County can do nothing. (See also my attached June 5, 2018 letter letter, which provides additional information on this subject.)

#### What to Do?

This is a very simple answer: Reject the proposed amendment as written, until it is revised to provide for only a one year lockup. Next, I support Supervisor Bartlett's recent OCFA Board of Director direction to have matrices attached to all proposed Board actions. This would provide Board members and their cities a complete and informed summary picture of what they are voting on. With that as a framework, I maintain that City Councils and the County cannot make an informed decision and vote on this proposed amendment until they receive the following:

1. An OCFA hybrid model cost saving study requested by the City of Laguna Hills and agreed to by the OCFA Fire Chief. Where have all the other city and County members been on this issue? Which City Council members are even aware of this study to be completed by the OCFA?
2. An OCFA study matrix that provides for SFF city councils and residents the actual "net cost" of the services the OCFA supplies to your city versus the amount of property tax it receives from the County for those services.
3. An OCFA study matrix that provides for SFF and contract member city residents the actual "net cost per resident" of the services it supplies to your city, versus the "net cost per resident" for all other OCFA members, including the County, SFF members and contract member cities. Is there any equitable reason why OCFA Contract City Tustin with the same virtual number of residents as Lake Forest is paying about half of what Lake Forest pays per resident for OCFA services?
4. To address contract member cities' concerns, have the OCFA Attorney supply a written report regarding the legal and financial aspects of a contract member city's giving notice to the OCFA of a plan to have the OCFA only supply Fire services in 2020, with private paramedic companies supplying 911 EMS first responder services at dramatically reduced costs. (It would be wise to have your own City Attorney provide you with a similar report.)

#### Main Summary Recommendation

Amend the OCFA JPA by change order/amendment after it has been revised to permit a member city to withdraw from the OCFA at any time after giving one year advance notice to the OCFA.

Sincerely,

Stephen M. Wontrobski

E:\ocfa-Amendment4Rejection-11-14-18

CC: OCERS; OCFA Board of Directors; EMSA Director; EMCC; Anaheim City Council; Costa Mesa City Council;

Stephen M. Wontrobski  
Mission Viejo, CA 92692

June 5, 2018

San Juan Capistrano City Council  
Villa Park City Council  
Aliso Viejo City Council  
Orange County Board of Supervisors

Dana Point City Council  
Laguna Niguel City Council  
Irvine City Council

Reference: Enough is Enough – Time to Leave the OCFA for a Better EMS Model

Dear Board Members,

This letter addresses the following:

1. Questions of fairness, equity and lack of transparency associated with the OCFA, which work against the financial integrity and stability of your city and the County; and
2. Misdirection of available financial resources away from the interests and benefit of your residents into the pockets of the “privileged few” at the OCFA.

#### Why Do Various Members of the Public Consider the OCFA the “New City of Bell”?

There are many reasons why members of the public consider the OCFA the “New City of Bell”. Here is a sample of possible reasons for their describing the OCFA in such a fashion.

1. Every member of the OCFA Executive staff receives over \$300,000 in total yearly compensation.
2. OCFA Firefighters are paid over \$230,000 in total yearly compensation.
3. OCFA Fire Captains are reported to be the highest paid fire captains in the United States, making on average over \$300,000 in total yearly compensation.
4. OCFA Battalion Chiefs and Division Chiefs are paid over \$300,000 per year in total compensation, with some being paid over \$400,000 in total compensation.
5. OCFA Administrative Managers are overpaid in comparison to the same staff positions in your city and the County. In addition, they are compensated for 42 days off after working only six months on the job. Which of your city staff or County managers get paid so much and obtain 42 days off after only working six months?
6. Equally accredited private ambulance company paramedics make about \$75,000 in yearly compensation as compared to the same Orange County Health Care Agency accredited OCFA paramedics making more than three times as much.

#### How Does the OCFA Insure a Continuation of Out-sized Wage Compensation?

The question has come up, How does the OCFA insure a continuation of out-sized wage and pension compensation? The answer is pretty simple and straightforward, when the OCFA uses two simple legislative tactics.

1. Guarantee that no monies are returned to overcharged OCFA member cities;and
2. Insure that out-sized Union pensions are made the liability of OCFA member cities and the County.

Guarantee That No Monies Are Returned to Overcharged OCFA Member Cities

In order to guarantee the future continuation of out-sized OCFA Executive Management, Union Administrative Managers, firefighters, paramedics, fire captains, battalion chiefs, and division chiefs, the OCFA must insure that no OCFA monies are siphoned off from them and given back to overcharged OCFA member cities. To do this you pass a bill in Sacramento, such as Mendoza SB 302, to accomplish this goal. SB 302 was passed and signed into law last year. Please see my attached July 10, 2017 letter , which discusses this bill and the injustices served on the public by failing to provide needed public transparency on the bill.

Next, you stop any attempts by a reform minded OCFA Board member to switch the out-sized union pension plan to a 401-k type of pension plan, which would not contribute to future pension UAAL liability problems to member cities. The OCFA effectively squelched the efforts of one reform minded director to accomplish such a move. That member was Director Rick Barnett from Villa Park, who was given the public's OCFA Profiles in Courage Award for his failed 401-k pension reform efforts in 2016.

Guarantee that Out-sized Union Pensions Are Made the Liability of OCFA Member Cities and the County

How does the OCFA guarantee that out-sized Union pensions are made the liability of OCFA member cities and the County? This is accomplished by the support and passage of AB 1912.

Remember all those years I warned you that your cities and the County would be made liable for the unfunded OCFA firefighter pension UAAL at OCERS? Well, in my opinion I believe you will be eventually held liable for the OCFA pension UAAL. I have said it countless times before. Suffice it to say that the May 24, 2018 OCFA response to the Orange County Grand Jury now lists in Attachment 2 the following “theoretical” amounts your city and County could be held liable for.

San Juan Capistrano - \$6,502,760	Dana Point - \$10,404,416
Villa Park - \$5,202,208	Laguna Niguel - \$13,005,519
Aliso Viejo - \$6,502,760	Irvine - \$67,628,701
Orange County - \$41,617,662	Mission Viejo - \$20,808,831
Buena Park - \$19,508,279	Placentia - \$13,005,519
Westminster – \$19,508,279	Laguna Woods - \$10,093,979
Lake Forest - \$14,306,071	Tustin - \$7,803,312
Seal Beach - \$7,803,312	

What is heartbreaking is the following:

1. Granted there have been massive overcharges to the above agencies to pay for “City of Bell” wages, these same agencies can be now looked to be possibly eventually liable for the past out-sized pension UAAL of the OCFA.
2. In my estimation Irvine has been overcharged hundreds of millions of dollars over a span of about 20 years. They have not received a dime back of their overcharges. It is safe to say that Irvine will never get those monies back and will continue to suffer massive overcharges in the future. Is there any doubt why Irvine voted to get out of the OCFA?
3. Take a look at Villa Park and Dana Point. They are being massively overcharged on a per resident basis for OCFA services. However, when has anyone at the OCFA Board of Directors even mentioned that the OCFA should work to stop the overcharges to these cities?

4. How can cash-strapped cities, such as, Placentia, Laguna Woods, Westminster and Seal Beach be in a position to take on their theoretical share of the UAAL? If they are forced to do so, they will not be able. Their city attorneys in all likelihood will say that the only way out is to declare city bankruptcy.
5. What about Mission Viejo, who for years had their City Council members proclaim to their residents what a reserve financial safety net their City had? In all likelihood most of that safety net might wind its way into the pension pockets of the firefighters.
6. What about Lake Forest? Lake Forest knows they are being overcharged on a per resident basis almost double what the adjoining City of Tustin pays with virtually the same amount of residents. Lake Forest now knows that in addition to being double charged on a yearly basis as compared to Tustin, it now has double the theoretical liability of Tustin. Check the chart on the prior page. You just have to feel for the Lake Forest residents.
7. Next, what about Buena Park, which has a monster theoretical liability of \$19,508,279? It is very interesting what its OCFA Board Director and last year's past Chairwoman of the OCFA had to say about this issue in the last OCFA Board meeting. After I voiced my strong objection to having OCFA member cities being held held liable for the UAAL, she spoke in response to my comment. Instead of condemning the attempt to hold the cities liable, she voiced no concern in this regard.

Instead, she expressed concern that Buena Park and other cities would have to footnote this potential liability on their city financial statements. She said that if this were the case, the residents could learn about this issue and consider her and other directors poor stewards of their city resources. Does this seem just incredible to believe? The residents of Buena Park are encouraged to listen to her Board meeting comments on the OCFA website and judge for themselves how concerned she was for their financial liability. In my opinion, the OCFA has been severely mismanaged over the past years. It is now obvious why so many mismanagement issues have now come home to roost.

8. If Villa Park Director Rick Barnett's 2016 recommendation for pension reform with the adoption of a 401-K plan had been adopted, the OCFA would have finally been on the road to minimizing future pension UAAL impacts. Unfortunately, it is not.
9. If member cities switched to private company paramedics, this going forward pension UAAL problem would be immediately addressed. And on top of that, the cities and County could also save millions of EMS spent tax dollars each year by switching to private paramedics.
10. Question: If both the OCFA and private company paramedics are equally trained, each wear blue uniforms, and a city could save millions each year in city EMS costs, what difference does it make that one group has an OCFA patch on their blue uniform and the other has an ambulance company patch on their blue uniform?

### Recommendations

I now repeat some various points I have made in the past. Various OCFA member City Councils and a growing number of the public are now aware of the excessive wage and benefit compensation of OCFA management and the Firefighters Union. These City Councils and their residents have also become aware that their Fire/EMS costs can be drastically reduced by simply switching to private ambulance company paramedics to provide their EMS services at a fraction of the cost of the OCFA.

The firefighters union is now very aware of the public's knowledge of these facts. And they are fighting back with various pieces of legislation. They have strong political power in Sacramento and can almost guarantee that almost any proposed firefighter proposed legislation will be passed. SB 302 is a prime example of this. It was passed last year. It is a union sponsored attempt to guarantee a continuation of their

excessive wage and benefit packages by stopping equitable adjustments to Irvine, the County, Dana Point, Villa Park, Aliso Viejo and Laguna Niguel.

Recommendations

I present the following simple recommendations for your consideration:

1. Finally admit that "Enough is enough".
2. Explore a new cost saving route for the future with a public/private Fire/EMS model.
3. Accept the fact that OCFA and union are first and foremost concerned with maintaining their excessive wages and benefits and not the financial well-being of the residents of the OCFA member cities.
4. Get out while the going is good. Don't be left holding the bag. Leave that bag with all the associated OCERS OCFA pension UAAL for the union aligned and supported OCFA member Cities.
5. Pass a change order to the OCFA JPA that allows any member to withdraw from the OCFA after giving one year advance notice.

Sincerely,

Stephen M. Wontrobski

E:OCFA-MendozaSB302&AB1912-6-4-18

Cc: Orange County Board of Supervisors; Orange County Health Care Agency; OCERS; EMSA Director; City Councils of Lake Forest, Placentia, Rancho Santa Margarita, Cypress, San Clemente, Westminster, Seal Beach, Laguna Hills, Costa Mesa, Buena Park, Mission Viejo, Laguna Woods and La Palma