

Stephen M. Wontrobski
Mission Viejo, CA 92692

May 24, 2018

Santa Ana City Council Members
20 Civic Center Plaza
P.O. Box 1988, M31
Santa Ana, CA 92701

Ref: OCFA Equitable Relief Proposal

Dear City Council Members:

Over the years at presentations to the OCFA Board of Directors, I pledged to work for cost reforms that would lead to multi-million dollar OCFA savings each year to the greatly overcharged residents of:

Santa Ana	San Clemente
Seal Beach	San Juan Capistrano
Dana Point	Laguna Niguel
Aliso Viejo	Lake Forest
Irvine	Villa Park
Unincorporated OC Cities	Westminster

Although many, if not all, of the cost savings ideas in this letter are applicable to all of the above groups, this letter is specifically addressed to the Santa Ana City Council members and residents of the City of Santa Ana. It also has a tremendous degree of relevance to other Orange County Fire Departments that are witnessing spiraling public safety costs and UAAL pension liability associated with those labor costs.

How Can Millions in OCFA Cost Savings Be Achieved?

The OCFA Fire and EMS services model is complex and difficult to decipher by almost everyone, including member city mayors, city council members, OCFA Board of Directors, and member city residents. However, a potential dramatic cost saving path forward is rather rudimentary. A potentially new OCFA model only becomes complex and supposedly inefficient, unworkable, and damaging to public safety, when those with vested interests in high paying wages and benefits insert themselves into the supposed "honest evaluation". Also remember that any OCFA JPA contractual provision can be changed by a JPA contract amendment.

To back up this assertion, I ask you and the above listed City Councils the following question. It is derived from my observations from attending almost every OCFA Board of Directors and Executive Committee meeting for about the last seven years.

Question: Over the last seven years, can you name any OCFA cost saving idea that actually benefited your residents by reducing OCFA wages and benefits and eliminating costly work rules for OCFA Executive staff, Firefighters Local 3631, Administrative Union Managers, Fire Division Chiefs, Fire Battalion Chiefs, or Fire Captains?

OCFA Model Change Ideas

I recommend you study and evaluate the following ideas. Then have them addressed for validity in writing by independent outside experts that have absolutely no past, present or potential future ties with the OCFA and any other firefighter union or organization. This is extremely important, since the OCFA is very adept at "rigging" an outcome to their benefit and not to the benefit of your residents, whom they are paid to serve.

For ease of understanding, I put forward my ideas in the following easy to understand steps from a "big picture" point of view.

As a starting point, break your Fire and EMS services into two distinct parts, namely (a) Fire Services with its firefighting and associated administrative services groups, and (b) EMS Services.

Fire Services

1. Keep your Fire services with the OCFA or any other Orange County Fire Department, which could offer the same services at a cost saving benefit using a) 12 hour work shifts and dynamic scheduling; b) increased usage of the Reserve Firefighter Program; and c) a 401-K pension plan with no UAAL pension liability impact for these workers.
2. With an overall reduced firefighter staffing for only fire response, have one member of each four member engine company be a reserve firefighter paid \$20.00/hour for a 12 hour assigned shift. (Reserve Fire Fighters are Fire Academy trained and are fully equipped to handle fire call responses.)
3. Place the other three fire engine company members on standard 12 hour shifts. This would eliminate the requirement to pay individuals for sleeping and eating, if not on a response call. It would also reduce Workers Compensation claims as the NYC Fire Department found, when it switched from a 24 hour to 12 hour shift. Also incorporate dynamic scheduling principles to insure the most cost effective deployment and staffing of the firefighters.

EMS Services

1. Santa Ana previously managed its EMS services group. Switch back to Santa Ana's old EMS prior proven and effective EMS management system. Have Santa Ana manage and conduct its EMS services as it did in the past.
2. Have EMS paramedic services outsourced to a competitively awarded private paramedic ambulance company or Orange County Fire Department. This company or Fire Department would perform to established standards set by the Orange County Health Care Agency to include: a) response time criteria and requirements; b) accreditation of paramedics; and c) paramedic accompaniment of every patient to a hospital. This is not a novel idea. It is used all across California and the United States at dramatically reduced cost.
3. In an EMS private ambulance company contract, require the ambulance company to pay for its workers' pension program. It will do this under its own 401-K pension plan. The result will be that Santa Ana will not be responsible for any future OCERS UAAL pension liability for these private company paramedic workers.

Under this new system, which ironically for many parts is the old, original, non-sworn employee Santa Ana EMS model, millions of dollars would be saved each year. These savings would accrue to the benefit of the City of Santa Ana and its residents. These savings could then address current non-funded programs and services for children, working parents, seniors and other residents, which are so desperately needed in your community.

I thank you for your consideration of this matter.

Sincerely,

Stephen Wontrobski

santaanacitycouncil5-24-18

cc: Orange County Board of Supervisors, City Councils Identified on Page 1 of This Letter; EMCC; OCERS; State

Stephen Wontrobski
Mission Viejo, CA

May 24, 2018

Orange County Fire Authority
Members of the Board of Directors
1 Fire Authority Road
Irvine, CA 92602

Reference: Rick Barnett – OCFA Profiles in Courage Award Update

Dear Board of Directors Members,

Rick Barnett, former OCFA Board of Director from Villa Park, was awarded the public's OCFA 2016 Profiles in Courage Award for his continued efforts to reform the OCFA by changing its pension plan to a 401-K type of plan. His efforts were unsuccessful. However, with the potential onslaught of the AB 1912 (Rodriguez) bill impact, the following observations are made.

1. The 2016 Profiles in Courage Award to Rick Barnett is now confirmed as a perfect choice.
2. Rick Barnett faced continuing opposition to his reform efforts from all 24 other Board members. That is a sad commentary regarding other members of the OCFA Board Board of Directors.
3. Rick Barnett demonstrated forward thinking with regard to potential negative impacts of staying with the original OCERS pension plan, as witnessed by the attempt to pass AB 1912.
4. Various OCFA member cities are now up in arms regarding AB 1912. Where was the outrage last month from their OCFA Member City Directors, when I expressed my own outrage to the bill in the OCFA Board of Directors meeting?

Finally, the questions that must be answered by OCFA Board Chairman, Ed Sachs, and other Board members from a corporate background are as follows:

Questions:

1. Has the corporation you are or were associated with switched to a 401-K pension plan?
2. If they have, how could you oppose efforts of Rick Barnett to have the OCFA switch new pension contributions to a 401-K plan?
3. Why haven't you demanded that all current union negotiations include provisions for a switch to a 401-K Plan?

Once again, the Profiles in Courage award to Rick Barnett was richly deserved. Currently, there is not one OCFA Board member, whose actions even merit consideration for this year's OCFA Profiles in Courage award. That is a sad commentary. However, if member cities withdraw from the OCFA, those City Council actions would really be a demonstration of "Profiles in Courage".

Sincerely,

Stephen Wontrobski

e: OCFAProfilesin CourageAwardUpdate-5-24-18

Cc: Orange County Board of Supervisors; OCERS; EMSA Director; EMCC; Villa Park City Council; Various OC City Councils

From: stephen.wontrobski
To: Clerk - Lake Forest
Cc: ocers.steve.delaney; cob.response@hoa.ocgov.com; director@ems.ca.gov; McConnell.Tammi; Clerk - Dana Point; san.clemente.city.clerk; Clerk - San Juan Capistrano; Clerk - Rancho Santa Margarita; Clerk City of Irvine; City Clerk Aliso Viejo Clerk - Aliso Viejo; Clerk Laguna Niguel e.gomez; laguna.hills.City.Council; Clerk - Mission Viejo; Clerk - Santa Ana City Clerk - Santa Ana; steve.franks.city.of.villa.park; Clerk-Seal Beach Robin Roberts; City Clerk - Westminster; City Clerk clerk Placentia; city.clerk.cypress.cypress; [city.Clerk-La.Palma.\(Laurie\)](mailto:city.Clerk-La.Palma.(Laurie)); clerk.anaheim.Bass; City Fullerton clerk City of Fullerton; Clerk - Buena Park City Clerk - Buena Park; Clerk City of Costa Mesa GREEN
Subject: Followup - Potential Lake Forest Liability for the OCFA Pension UAAL at OCERS
Date: Friday, June 08, 2018 3:05:15 PM
Attachments: [lakeforestcitycouncilUAAL-Followup-6-8-18.doc](#)
[lakeforestcitycouncilUAAL-GrandJuryResponse\(5-31-18\).doc](#)
[lakeforestcitycouncilUAAL\(5-3-17\).doc](#)
[OCFA-MendozaSB302&AB1912-6-5-18.doc](#)

Dear City Clerks,

Attached is my June 8, 2018 letter regarding, "Followup - Potential Lake Forest Liability for the OCFA Pension UAAL at OCERS" with applicable letter attachments. Can you please arrange for their distribution to your City Council members.

Sincerely,

Stephen Wontrobski

Stephen M. Wontrobski
Mission Viejo, CA 92692

May 3, 2017

Lake Forest City Council Members
City Hall
2550 Commerce Centre Drive, Suite 100
Lake Forest, CA 92630

Ref: Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS

Dear City Council Members:

This letter addresses "Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS", which I addressed last night in your City Council meeting.

I have previously raised this issue in various South Orange County City Council public appearances. My intent was to advise residents of potential major liabilities associated with the out-sized OCFA wages, pensions and benefits.

I provide the following information points to advise you and your residents of the background and recent developments at the OCFA on this issue.

1. Total OCFA UAAL pension liability at OCERS in very round numbers is about \$500 million.
2. I have previously advised OCFA members that the rough order of magnitude estimate of the "real" OCFA UAAL exit cost is about \$2 billion and not \$500 million. I will continue to hold to that number until: a) the OCFA rejects it with a written justified determination of their own, or b) the Stanford University Pension Study Group presents a different figure.
3. Recent experience with agencies attempting to pay off their listed and presumed pension UAAL is about four times what the agencies are currently booking. Consider Villa Park, which had in round numbers about \$600,000 in city pension UAAL at CALPERS, which they wanted to immediately pay off. CALPERS informed Villa Park that it would have to pay over \$2,000,000 to extinguish the \$600,000 of its presumed UAAL cost.
4. I have advised OCFA member cities for years, that they (including Lake Forest) can potentially be held liable for their individual shares of the OCFA's \$500 million pension liability.
5. In 2014 to combat my written OCFA pension concerns, the OCFA attorney issued a written legal opinion stating that member cities (like Lake Forest) were not liable for the OCFA pension liabilities based on JPA/Contract Law. However, the legal opinion failed to address the overriding issues of Bankruptcy and Pension Law and the mandates of the California Constitution.

6. In January 2016 OCERS advised its Board of Directors that OCERS maintained that with a potential breakup of the OCFA, the OCFA member cities were actually liable for the OCFA pension UAAL at OCERS.
7. Now fast forward to last week's April 27, 2017 OCFA Board of Directors meeting. In that meeting the Board awarded a \$100,000 contract to the law firm of Meyers Nave Riback Silver & Wilson to issue a legal opinion regarding OCFA member city liability for the OCFA pension cost. The opinion report is due out before July 15, 2017. Among a variety of subjects, it will address the following key issues:
 - a) Would member cities be responsible for the OCFA's pension liabilities, if the OCFA were forced into dissolution?
 - b) Is there any difference in liability exposure for SFF and contract member cities?
 - c) Could the withdrawal of OCFA member cities (like Irvine) result in OCFA pension costs having to be paid by the remaining OCFA member cities? In simpler terms, do the last members, who do not leave the OCFA, get stuck holding the entire bag of OCFA pension costs?

Against my objection, the OCFA has determined that this new legal opinion will not be issued to the member city council members or their residents. It will be issued on a confidential basis only to the OCFA Board members. They will not be permitted to share its contents with their fellow council members or residents. Interestingly, the law firm issuing the opinion, has recommended to the OCFA that their written legal opinion be issued to the member cities and not remain confidential.

In my opinion the OCFA attempt of non-disclosure is a continuation of the OCFA's past efforts to avoid true transparency of the cost of its operations and the resulting negative implications to the taxpaying public.

In effect, the OCFA would rather the public not know of the harmful effects of paying:

- a) An average firefighter total annual compensation of roughly \$230,000.
- b) All members of the OCFA Executive staff making over \$300,000 in total annual compensation.
- c) Having a multiplier of 90% on firefighter wages to cover pensions, benefits, taxes etc., when private industry is paying about 35%. This is the same issue that the former Chairman of the OCFA Board of Directors from Dana Point publicly stated, that if a private corporation were forced to pay a markup of 90% on its wage cost, it would be bankrupt within six months.
- d) Granting union administrative managers under their new contract forty two days of paid time off after only six months of work. This is referred to as the "Greece Contract". It is the reason why the OCFA labor negotiator was given an F minus on his negotiating results for this contract.

The Lake Forest City Council members and public need to be kept informed on the potential harmful effects of a possible member(s) withdrawal from the OCFA. You also need to consider whether it would be advisable for Lake Forest also to exit the OCFA and save millions of dollars under a new public/private Fire/EMS model. This new delivery model could provide you even better service at a fraction of the cost you are now paying.

Hence, I recommend that you request the OCFA to issue the new OCFA pension legal opinion to your City Council members and your residents.

I am also copying the City Councils listed below on this letter, since this same matter also affects their own financial stability, which I have previously addressed with them.

1. Dana Point
2. Irvine
3. San Clemente
4. Laguna Niguel
5. Villa Park
6. San Juan Capistrano

I thank you for your consideration of this matter.

Sincerely,

Stephen Wontrobski

lakeforestcitycouncilUAAL(5-3-17)

Stephen M. Wontrobski
Mission Viejo, CA 92692

June 8, 2018

Lake Forest City Council Members
2550 Commerce Centre Drive, Suite 100
Lake Forest, CA 92630

Ref: Followup - Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS

Dear City Council Members:

This letter supplements my attached May 31, 2018 letter regarding, "Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS". It is yet another call for City Council action to consider the use of private paramedics, rather than OCFA paramedics. This change will save Lake Forest residents millions of dollars in annual EMS costs and finally stop the scourge of UAAL pension liability with the OCFA. This letter impacts all OCFA member cities in their ability to save millions of dollars annually for their residents. However, various OCFA "contract cities" have for years gotten "sweetheart" deals with the OCFA. Consequently, they do not seem interested in saving even more money on top of their "sweetheart" deals by switching to private paramedics.

To illustrate my point, I compare Lake Forest OCFA cost with that of Tustin. Both cities have almost identical populations of about 83,000 residents. However, from a prior study of mine, I pointed out that Tustin pays about one half of what Lake Forest does for OCFA Fire/EMS services on a per resident basis.

That is a screaming injustice. However, the injustice does not stop there. As pointed out in my attached June 5, 2018 letter, the OCFA has assigned "theoretical" firefighter pension UAAL at OCERS of about \$14,000,000 to Lake Forest and only about \$7,000,000 to Tustin. With this assignment, the OCFA is serving up even more injustice to Lake Forest. Tustin pays the OCFA about one half of what Lake Forest pays to the OCFA for the same services. Yet Tustin only gets assigned one half of the "theoretical" OCFA UAAL pension liability ascribed to Lake Forest.

The OCFA will say we are working on this. That's one of the "crumbs" you can expect to hear from them. However, what have they actually done to correct the years of "sweetheart" billings to Tustin and other "contract cities", which I have pointed out to them countless times over the years? The answer is absolutely nothing. So expect the same.

As much as you are being taken advantage of, you can take solace in the fact that the County and the following cities are being taken advantage of even more than your residents.

Irvine
Villa Park
Aliso Viejo
Laguna Niguel
Dana Point

So what is the way out of this outrageous overcharging to the residents of Lake Forest and other overcharged cities?

The answer is to simply change your Fire/EMS model. Separate your fire services from your EMS services. Then go out on a competitive bid to private paramedic ambulance companies for EMS services as countless agencies across California do. The result will be millions of dollars in cost savings each year that will go to your General Fund. And you will never have UAAL pension liability issues associated with those future EMS services.

Sincerely,

Stephen Wontrobski

e:lakeforestcitycouncilUAAL-Followup-6-8-18

cc: OCERS, Orange County Board of Supervisors, EMSA Director, EMCC, City Councils of Dana Point, San Clemente, San Juan Capistrano, Rancho Santa Margarita, Irvine, Aliso Viejo, Laguna Niguel, Laguna Hills, Mission

Stephen M. Wontrobski
Mission Viejo, CA 92692

May 31, 2018

Lake Forest City Council Members
City Hall
2550 Commerce Centre Drive, Suite 100
Lake Forest, CA 92630

Ref: Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS

Dear City Council Members:

This letter addresses “Potential Lake Forest City Liability for the OCFA Pension UAAL at OCERS”.

At the OCFA May 24, 2018 Board of Directors meeting, I made a public comment that the OCFA response to the Grand Jury Report – “OCFA – Financial Flames on the Horizon” was misleading and should not be issued. I specifically stated that the responses given for Finding 7 and Recommendation 5 were incomplete and, hence, misleading.

Both of these items addressed member city and County potential liability for the UAAL of the OCFA.

The OCFA stated in its responses that its members could not be held liable because of the JPA Agreement Article VI, Section 3. This was in direct contradiction to the OCERS legal opinion, that stated they could be held liable. What the OCFA fails to mention in its response to the Grand Jury is potential member City (Lake Forest) and County liability, if the City of Irvine withdraws and causes a collapse/bankruptcy of the OCFA. The OCERS legal opinion addresses this issue.

I am attaching my May 3, 2017 letter to the City of Lake Forest that addresses this issue completely on point. Interestingly, Board Supervisor and OCFA Director, Todd Spitzer, also maintained my position, when he addressed this matter before the OCFA Board in a prior meeting. Consequently, the Board authorized \$100,000 to be spent on a legal opinion from Nave Ribak Silver and Wilson to address this matter and other related UAAL liability issues.

The OCFA has refused to allow your residents and members of the public access to this opinion, which concerns the financial integrity of Lake Forest. Consequently, your City Attorney should provide his own opinion to you regarding potential Lake Forest liability for the UAAL of the OCFA.

Please contact me if you need any further information on this matter.

Sincerely,

Stephen Wontrobski

e:lakeforestcitycouncilUAAL-GrandJuryOCFAUAALresponse-5-31-18

cc: OCERS, Orange County Board of Supervisors, EMSA Director, EMCC, City Councils of Dana Point, San Clemente, San Juan Capistrano, Rancho Santa Margarita, Irvine, Aliso Viejo, Laguna Niguel, Laguna Hills, Mission Viejo, Santa Ana, Villa Park, Seal Beach, Westminster, Placentia, Cypress, Placentia, La

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 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

Stephen M. Wontrobski
Mission Viejo, CA 92692

June 7, 2018

Placentia City Council
Westminster City Council
Seal Beach City Council

San Clemente City Council
Santa Ana City Council

Reference: OCFA Contract Cities – Recommendations for Annual Multi-Million Dollar Savings

Dear City Council Members,

Over the years I have pledged that I would work to save your residents millions of dollars annually in excessive OCFA Fire/EMS service costs. In this letter I put forth cost saving recommendations for your consideration and study.

I have previously stated that the greatest weapon that the OCFA Executive Staff and the OCFA Unions have to thwart any cost reform measures, which would allow savings from excessive wage compensation measures to flow down to your residents, is: Keep the public uninformed of what is really going on at the OCFA. With this in mind, I present the following points in order to make your residents more knowledgeable about OCFA operations and to clear up many misunderstandings perpetuated by the OCFA.

1. About 90% of the annual cost of operating the OCFA is centered in worker labor cost, which comprises straight time and overtime pay, pensions and benefits.
2. There is an approximate 90% markup on wage costs to cover employee benefits, taxes and pensions. The same markup in the private sector is about +/- 35%. Former OCFA Chairman, Steven Weinberg from Dana Point, remarked in an OCFA Board meeting, that if the 90% markup were paid by a company in private industry, that company would be bankrupt in six months.
3. EMS response calls constitute about 80-90% of OCFA call outs. Actual fire responses are relatively a small part of OCFA work. From an operations audit cost saving aspect, EMS costs are where major million dollar cost savings can be realized.
4. OCFA paramedics are paid more than three times what is paid to equally accredited private company paramedics. This equates to over \$230,000 for an OCFA paramedic vs. \$75,000 in total yearly compensation for private company paramedics.
5. OCFA firefighters get paid on a 24 hour shift basis for all hours worked, including eating, sleeping, watching TV, etc. This 24 hour shift is a large source of extra compensation to them. They will vigorously oppose switching to a non-24 hour shift, even if the shift change benefits the health and safety of the public.
6. The past union opposition to a 24 hour shift change was vividly demonstrated after former Fire Chief Richter tried to implement the shift change recommendations found in the expert consultant report of Management Partners. This report, paid for by the OCFA, recommended the switch for various workers to a 12 hour shift and the use of "dynamic scheduling" to improve public safety.

The firefighters union then proceeded with a 90% no-confidence vote for Chief Richter based on a variety of factors, and he was forced to hastily retire. The recommendation for improved public safety by switching to a 12 hour shift was then quickly dropped. And every Board member now knows to never bring this up again, if you are looking for union campaign support and contributions. And in fact, it has

never been brought up again by any OCFA Board member in a public OCFA meeting despite my efforts to do so.

7. The 24 hour OCFA “Gold Standard” shift model for EMS personnel is completely opposite to the private sector, where private EMS paramedic companies routinely employ 12 hour and other non-24 hour work shifts and “dynamic scheduling” to maximize company effectiveness and public safety.
8. Private paramedic companies have on average about a 6% workers compensation experience rate. The overall rate for the OCFA for fire and EMS is about 30%. This high experience rate was justified in the past by the OCFA with the statement that the OCFA is way better with this excessive 30% factor than San Bernardino, which has a 90% workers compensation experience factor.
9. New York City Fire Department switched from a 24 hour shift to a 12 hour shift to reduce workmen compensation claims.
10. Many of the public believe that in a major fire, such as the recent Aliso Fire, that all the responding firefighters and equipment are from the OCFA. That is not the case as evidenced by responding Fire Engines with non-OCFA logos on their doors. Also members of the public believe all the air support equipment is from the OCFA. That is also a misconception. The OCFA only has helicopter air support. All the fixed wing air support and fire retardant dropping aircraft are not owned by the OCFA.
11. California has “mutual aid” requirements. That is, if any fire department, no matter how small or large it may be, needs help to put out a fire, surrounding fire departments are required to come with their manpower and equipment (mutual aid) to assist in the fire suppression efforts.
12. On an EMS call out, the OCFA dispatches a four person fire engine to respond to the paramedic assessment and needs of the individual. Simultaneously, a two person private ambulance company unit is dispatched to the scene to transport the patient to a hospital, after the patient's paramedic needs have been addressed by the OCFA. So six people are now on the scene, four from the OCFA and two from an ambulance company, such as CARE Ambulance.
13. The six person call out model is not used in most jurisdictions across California or the United States. Instead, only a two person paramedic private ambulance is often dispatched in many jurisdictions to attend to the patient's paramedic needs **and** the transport to a hospital.
14. If the Non-OCFA EMS response model were employed in an OCFA contract city, the EMS labor, pension and benefit costs to that city would be dramatically reduced. That is why the OCFA unions will always object to having private paramedics in Orange County, even though their use would benefit the public they are supposed to serve.
15. The Orange County Health Care Agency recently implemented the limited use of private paramedics. This was only for Inter Facility Transports (IFT Program) from one hospital to another that required paramedic accompaniment.
16. The Orange County Health Care Medical Director took strong union criticism against the plan and implemented the IFT Program. The result of implementing the use of private paramedics has proven to be a resounding success for the public good. Dr. Sam Stratton, the Orange County Medical Director, should be given much needed praise for his implementation of this program that benefits the public good in the face of union opposition.
17. It is been my prolonged experience that the OCFA unions will absolutely never endorse a program even for the public good, if it lowers the amount of money the firefighters make.

OCFA Contract City Recommendations – EMS Services

Since the bulk of cost savings occur in the EMS area, concentrate your cost saving efforts there. Put out a competitively bid RFP for private paramedic EMS 911 response service work. This RFP would cover both: a) the 911 EMS paramedic response work with equally accredited private paramedics, and b) the follow-up ambulance transport to the hospital. This will immediately eliminate the payment of ALS/BLS rebates back to the OCFA, and instead be a source of revenue to the City and not the OCFA.

In addition, I ask that you give consideration to the following recommendations.

1. For San Clemente have CARE Ambulance respond with paramedics instead of EMT's. Any salary cost increase would be dwarfed by having the current ALS/BLS paramedic rebates, currently going to the OCFA coffers switched to San Clemente's General Fund. Seal Beach, Westminster, Santa Ana and Placentia should also look into this idea. It is also applicable to Costa Mesa, Irvine, Villa Park, San Juan Capistrano, Dana Point, Lake Forest, Aliso Viejo, Laguna Niguel and other OCFA SFF cities.
2. To insure increased female modesty considerations, have bidders bid with a goal of having 50% of the paramedics being female workers. I have previously objected in writing to the lack of modesty afforded to female EMS patients by having six people in a room, while the female patient is examined. This concern would end by having only a two person private ambulance company paramedic response to an EMS call, with one of the paramedics being a female employee.
3. In non-English speaking neighborhoods set goals for the number of bilingual paramedics to be fluent in the predominant language(s) of the community.
4. Ask the private paramedic companies for their own recommendations on how to improve EMS patient care. These companies know this field, and you should entertain their ideas. Do not rely on the OCFA assertion that their "Gold Standard" ideas are the best. They are not. However, under the OCFA model they are the best for their wages, overtime and benefits.

Finally, do you remember what was broadcast in years past as the "Gold Standard" EMS model of the OCFA by the OCFA Manager of Finance and Audit? For years he said the OCFA model of having two fire engines with seven personnel and a two person private ambulance company, or a total of nine individuals, responding on an EMS call, was the "Gold Standard".

If this were actually the case, why did Chief Bowman change this "Gold Standard" model to a one engine four person staffed vehicle and a two person transport ambulance, or a total of six responding individuals, on an EMS response? The reason as spoken by Chief Bowman was because the old OCFA model was too costly and inefficient. Costa Mesa's separate consultant study of EMS models also agrees with this conclusion.

I strongly recommend that you consider a non-OCFA two person private paramedic response for 911 EMS call outs. But please understand that, if this model were even considered by a City for implementation, it would be condemned by the OCFA Union, even though it has been effectively used for years in other jurisdictions.

The bottom line is by switching to an approved two person 911 EMS private paramedic response model, millions of dollars in annual OCFA public safety cost savings would go to your residents. In addition, the ALS/BLS rebate dollars to the OCFA would also now be diverted to your own City General Fund. Your fears of ever increasing OCFA EMS pension UAAL liability exposure will also end. If your EMS services are provided by private paramedic ambulance companies, you will finally be free of continually escalating high cost OCFA wages and associated future potential pension UAAL liability for those services.

OCFA Contract City Recommendations – Fire Suppression Services

I now provide you with a quick synopsis of what I have previously recommended for fire service cost reductions in the past.

1. If you elect to stay with the OCFA, only pay for fire suppression services. Switch to a 12 hour shift for those services and incorporate the use of a \$20.00/hour Academy trained Reserve Firefighter as one of the crew members, who is also on a paid 12 hour shift. And handle all mandatory backfill by using another \$20.00/hour Reserve Firefighter.
2. Consider going out on competitive bid to private fire suppression companies and neighboring fire departments only for fire services that have a 12 hour shift requirement and incorporate usage of Reserve Firefighters.
3. Consider bundling of fire and EMS services into one competitively bid contract to private Fire/EMS companies. Or permit bidders to bid as a Joint Venture. One part of the Joint Venture would be a private fire suppression service company and the other part of the Joint Venture would be a private 911 EMS paramedic response service company.
4. For smaller cities like Villa Park., where fire call outs are relatively rare, consider having your own Fire Department staffed under your City Manager with two supervisory personnel and two Reserve Firefighters being paid \$20.00/hour or some other variant of this plan. I leave the makeup of your own model to your City Manager and City Council to approve.

Sincerely,

Stephen M. Wontrobski

E:ocfa-ContractCitiesRecommendations-6-9-18

cc: Orange County Board of Supervisors; Orange County Health Care Agency; OCERS; EMSA Director; City Councils of Lake Forest, Rancho Santa Margarita, Cypress, San Juan Capistrano, Laguna Hills, Dana

Stephen M. Wontrobski
Mission Viejo, CA 92692

July 10, 2017

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32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Aliso Viejo City Council
12 Journey #100
Aliso Viejo, CA 92656

San Clemente City Council
100 Avenida Presidio
San Clemente, CA 92672

Laguna Niguel City Council
30111 Crown Valley Parkway
Laguna Niguel, CA 92677

Dana Point City Council
33282 Golden Lantern St. #203
Dana Point, CA 92629

Irvine City Council
1 Civic Center Plaza
Irvine, CA 92606

Reference: Mendoza SB 302 (OCFA JPA Modifications)

Dear City Council Members,

This letter addresses questions of fairness, equity and lack of transparency associated with Mendoza SB 302 (OCFA JPA Modifications).

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. The Orange County Register has made this abundantly clear. 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. One method of attack is to support restrictive legislation, such as SB 302, that guarantees a continuation of their excessive wage and benefit packages.

I recently addressed various questions regarding what appeared to be a "rigged" OCFA discussion of SB 302 in my prior June 27, 2017 letter addressed to the Irvine City Council. I mentioned that in two prior OCFA meetings, wherein SB 302 was put on as a discussion item, I asked the simple question, "What is the impact to member cities as a result of this firefighter supported bill"? The answer? Not a single word was given in response in both meetings by the OCFA Attorney, Fire Chief, or Legislative Analyst.

This same item came up in the June 22, 2017 OCFA Executive Committee meeting. I again raised in public comment my objection to the proposed bill. However, once again neither Chief Bowman, his Legislative Analyst, nor the OCFA Attorney answered the simple question, "What is the impact to member cities as a result of this firefighter supported bill"? This failure to simply respond to a simple question that has implications for tens of millions of dollars in past OCFA overcharges to various member cities is but still another example of OCFA lack of transparency.

This issue has now raised the following serious questions in the minds of the public.

- a) Just who does the OCFA truly represent, the member city residents or the OCFA staff and its union firefighters with their excessive wage and benefit compensation interests?
- b) Hasn't Fire Chief Bowman, his Legislative Analyst and the OCFA Attorney once again demonstrated their use of OCFA lack of transparency regarding an issue that has multimillion dollar financial implications to overcharged SFF member cities?

- c) Just how much longer are various overcharged SFF member cities going to put up with the current selfish lack of major monetary reform initiatives of the OCFA and the persistent lack of OCFA transparency?
- d) Why didn't the OCFA Legislative Analyst include the attached Senate Rules Committee analysis of the proposed bill to provide a clearer understanding to the OCFA Directors of the bill's true implications? Members of the public can give that answer, "To do so would have provided OCFA transparency, and that is one thing the OCFA strives against".
- e) When looking at the organizational setup of the OCFA, some members of the public see it as a "rigged" system. When will it become blatantly obvious to various City Council members that the OCFA Executive Management, OCFA Board of Directors and the firefighters union are effectively just one conjoined group, that place their own financial interests in front of those of the public, who they pretend to represent?
- f) Under proposed SB 302, must the OCFA itself, in addition to the OCFA Board of Directors, approve the transfer of structural fire fund property taxes to SFF cities like Irvine, Dana Point, Laguna Niguel, Villa Park and Aliso Viejo? (Ref. Amended Bill Section 99.02 to the Revenue & Taxation Code Section 99.02 (f) (5) – "In the case of structural fire fund property taxes subject to Government Code section 6503.1, the transfer is approved by the agency currently receiving those funds for providing fire protection services.")
- g) If the OCFA and its Board of Directors never recommended any equitable adjustment payments in the past to the overcharged cities of Villa Park, Laguna Niguel, Aliso Viejo and Dana Point, what has changed to expect that with this new proposed bill the OCFA will return any overcharges to these SFF member cities?
- h) When will other member cities finally take steps like Irvine to study leaving the OCFA and evaluating a new private/public Fire/EMS model?

SB 302 impacts the return of past OCFA overcharges most notably to the cities of Irvine, Dana Point, Aliso Viejo, Laguna Niguel and Villa Park. How many of these overcharged cities are members of the Executive Committee, wherein recent OCFA discussion of the bill took place? Answer: None. Consequently, there is speculation that this was a "rigged" attempt to avoid public meeting objections to the proposed bill from the cities that had the most to lose.

This issue, in turn, raised some additional questions:

1. Why didn't the Executive Committee transfer this discussion item to the full OCFA Board of Directors for discussion to avoid the appearance of impropriety?
2. Should your OCFA director request that this item be placed on the full OCFA Board of Directors meeting agenda for future discussion to obtain input from all Board members?
3. Was your OCFA Director consulted on the bill, who could then discuss it with other City Council members and other affected member cities?
4. Why didn't the OCFA request input on the OCFA/OCPPFA directed bill changes with the other directly impacted/overcharged cities of Dana Point, Laguna Niguel, Aliso Viejo and Villa Park?
5. Was it proper for the OCFA to collaborate on bill changes only with the union and not with Dana Point, Laguna Niguel, Aliso Viejo and Villa Park? Talk about "Taxation without Representation", it's once again notably present at the OCFA

6. Who gave the OCFA permission to request the OCFA lobbyists to draft amendments that could be suggested to the OCPFA after consultation with them? Were the overcharged OCFA SFF member cities even consulted on these OCPFA amendments?
7. Who gave the OCFA the authority to submit the proposed OCPFA/OCFA SB 302 amendments, which were partially adopted in the May 4, 2017 version of the bill?
8. Where in the proposed bill amendments is there a provision for a return of five years of OCFA overcharges to Irvine, Villa Park, Laguna Niguel, Aliso Viejo and Dana Point?
9. Hasn't the OCFA shown more interest in satisfying the demands of the union rather than its member cities and residents, who they are supposed to represent and protect?

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. Recognize that we are at the point of potential bankruptcy and collapse of the OCFA.
5. Be mindful that the question may no longer be, "Will the OCFA collapse", but instead be, "When".
6. Accept the advice of OCFA Director Todd Spitzer contained in a recent newspaper interview, who "worries that other Orange County leaders will lose perspective as time goes on about being fiscally responsible":
 - a) "Elected officials should always operate as if there's a bankruptcy around the corner the corner."
 - b) "You have such a responsibility to be financially prudent."
7. Have your attorney and all council members review SB 302 and discuss in open Council meeting what direction to follow.
8. 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.

Sincerely,

Stephen M. Wontrobski

E:OCFAMendozaSB302-7-10-17

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 and La Palma