

Stephen Wontrobski
Mission Viejo, CA 92692

March 27, 2019

Aliso Viejo City Council
Dana Point City Council
Laguna Niguel City Council

Irvine City Council
Villa Park City Council
Orange County Board of Supervisors

Reference: Proposed OCFA - Irvine Settlement Agreement
How to "Rig" an Agreement Approval and the Need for County Board of Supervisors Action

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

The OCFA is contemplating the approval of a proposed Irvine - OCFA Agreement to guarantee that Irvine will not withdraw from the OCFA in order to stop massive overcharges for OCFA Fire/EMS services. Why is it so important for the OCFA to get OCFA Board of Director approval for this item? You simply need to refer back to the words of former OCFA Fire Chief Richter. He said without Irvine as an OCFA member, the financial integrity of the OCFA organization would be in jeopardy.

Without the ability to overcharge Irvine for Fire/EMS services, the OCFA would be unable to pay total yearly compensation for such groups as :

- a) Firefighters and paramedics +/- \$250,000;
- b) Fire Captains on average over \$300,000;
- c) Every member of the OCFA Executive staff over \$300,000;
- d) Battalion Chiefs over \$300,000; and
- e) Division Chiefs over \$400,000.

You can easily understand why the OCFA employees, firefighters, fire captains, battalion and division chiefs, administrative union members, and Executive Staff desperately want passage of this proposed agreement.

Question: How many of your City and County staff members are making these types of "privileged few" wages?

Background Information

Irvine has been overcharged by the OCFA over the years hundreds of millions of dollars for Fire/EMS services, versus the actual cost of the OCFA to supply those services. (Approximately 90% of these overcharges go to OCFA salaries, pensions and benefits.) I have demonstrated this fact over the past years with various cost studies showing the extent of overcharges on a per capita resident basis, showing actual cost of OCFA services to Irvine as compared to the amount of tax revenue obtained by the OCFA from their residents. None of these cost studies have been rebutted or taken exception to by the OCFA, despite my requests for OCFA comment. Under the new proposed agreement, Irvine will still be overcharged hundreds of millions of dollars more through 2030.

The California Court of Appeals rejected a prior proposed OCFA settlement agreement to Irvine. Both the County and I objected to that proposed settlement agreement. That proposed settlement through 2030 from my recollection approximated \$130,000,000. The Irvine City Council knew that this proposed \$130,000,000 settlement amount severely understated the actual overcharge figure. I believed it was somewhere in the range of \$300,000,000. However, Irvine approved it, in my opinion, on the basis that "It's better than nothing". The new proposed settlement figure amounts to about \$50,000,000. What happened to the other "low ball" settlement figure of \$130,000,000? Where did \$80,000,000 from this prior agreement go to? The Irvine City Council and its City Manager need to address this issue and explain it to its residents.

Next, although Irvine is proposed to receive a ridiculously low equitable adjustment amount to compensate only for massive future overcharges, where is the needed equitable relief for past and future overcharges to the other OCFA SFF member cities of Aliso Viejo, Dana Point, Villa Park, and Laguna Niguel? These cities have been overcharged tens of millions of dollars in the past and they can look for tens of millions of dollars more of overcharges through 2030. However, they cannot gain relief, since the equitable adjustment approval system is "rigged" against them. And they all know it. They simply do not have the "big city clout" like Irvine. No equitable adjustment approval should be given to benefit Irvine alone, unless the cities of Aliso Viejo, Dana Point, Villa Park, and Laguna Niguel are also granted long term past and future relief from massive OCFA overcharges.

Question: Why haven't the OCFA Board of Directors members from these cities spoken up for their residents against these future overcharges to them and the need to be included in an Irvine equitable adjustment settlement agreement?

How About the County? The County CEO should direct his staff, if he has not already done so, to produce for the Board of Supervisors a study to show: a) how much the County may or may not have been overcharged by the OCFA in the past; and b) how much it could be expected to be overcharged through 2030 for services. This is a simple study. This simply shows the cost of past and anticipated future OCFA services as compared to past and anticipated property tax revenue from the County for those same services.

Question: Isn't it about time that such a transparency study is finally prepared on behalf of County taxpayers?

Isn't it also about time that the County addresses and reforms the inequity of having SFF member cities overcharged for OCFA services by means of outdated specific property tax percentages rather than the actual cost of those services that the SFF cities receive? Why can't the Board of Supervisors finally reform this matter and bring equity to bear? The specific instruction and method for doing this do this is found at the end of the Court of Appeals Irvine Equitable Adjustment court case. The Court has given the County the exact path to follow to achieve long overdue equity.

How to "Rig" an Approval Vote

How can the OCFA guarantee minimum opposition to the proposed agreement plan? Answer: As it has done in the past, it avoids transparency and opposition by failing to give full cost disclosure. It "rigs" the system by withholding needed cost matrix information to allow proper independent proposal evaluation by its Board members and the public. The OCFA are experts in this regard. And Supervisor Bartlett is well aware of this tactic.

In a recent OCFA Board of Director meeting, Supervisor Bartlett stated that a cost study matrix is to be prepared and presented to the Board for all proposed actions that have cost related issues. This would allow Board members to have adequate cost study information on which to base their vote. I welcomed this directive. Supervisor Bartlett even gave the OCFA a copy of a matrix that should have been prepared by the OCFA for the agenda cost item.

In a subsequent OCFA Board meeting, Supervisor Bartlett questioned the OCFA as to where the cost matrix was for still another agenda cost item. In so many words, Supervisor Bartlett then stated this absence of a cost matrix is not to occur in any subsequent OCFA Board of Director meeting, where the need for a cost matrix is present.

So now we are at the next OCFA Board of Director Meeting for her to attend.

Question: Where is the Supervisor Bartlett cost matrix attachment needed to evaluate the Irvine Settlement Agreement?

Answer: It does not exist. And the directive of Supervisor Bartlett is once again disregarded. The OCFA is three for three in ignoring Supervisor Bartlett's instruction. This is reason enough to stop this agenda item from moving forward. A cost matrix is needed to be prepared and submitted to the Board. And this agenda item needs to stop right now in its tracks. This is a \$50,000,000 cost proposal without a fully developed cost matrix.

These are the minimum requirements, I believe, that should be included in the cost matrix attachment.

1. A detailed breakout of costs for the original equitable adjustment contract amendment, which was rejected by the California Court of Appeals. Isn't it strange that this information is not even brought up? How many new Board members are even aware of its details?
2. A cost study analysis of the County CEO on this matter described above.
3. An OCFA prepared cost study for Irvine, Villa Park, Aliso Viejo, Laguna Niguel and Dana Point based on actual cost of services and comparing it to the property tax revenue received from the County from those cities. This will finally allow these OCFA member residents to learn how much they been and are continuing to be overcharged. This study must include an actual cost ten year lookback and a ten year future anticipated cost comparison through 2030.
4. An OCFA prepared cost study for all members showing on a per resident basis, the cost of OCFA services for the last ten years versus the amount received for providing those services, whether it is derived from a contract or property tax basis.

This cost matrix will finally allow OCFA member residents, City Councils and OCFA Board members to learn how much member cities are being overcharged/undercharged. This would provide all OCFA Board members a complete and informed summary picture of what they are asked to vote on. Without such a matrix, I maintain that OCFA member City Councils and the County Board of Supervisors cannot make an informed decision in approving this proposed agreement; and their OCFA Board members would be voting in the dark.

Specific OCFA Actions to Thwart Transparency

I maintain that the following OCFA actions thwart transparency on this \$50,000,000 item.

1. Despite the fact that millions of dollars are at stake, the OCFA does not even allow 30 days for the OCFA member cities to have their City Attorneys and City Councils review the proposed plan and see if additional equity relief is owed them. Most of the undercharged contract cities will not even bring this up, since their "undercharged gravy train" continues under this plan, and their votes help to "rig" the system against the overcharged SFF member cities.
2. Since tens of millions of dollars are at stake for certain SFF overcharged member cities, the OCFA again does not even allow 30 days for the overcharged OCFA member cities of Villa Park, Aliso Viejo, Laguna Niguel and Dana Point to give their City Attorneys and City Managers time to review the proposed agreement and include their own recommendations.
3. It schedules an OCFA approval vote at the end of this month, so member City Councils and their residents do not have time to put it on a City Council meeting agenda. Why the Chairman of the OCFA, Dana Pont Director Mueller, is allowing this rushed vote needs explanation. What's the rush?

Most Dana Point residents do not know, that what they pay to the OCFA on a per resident basis dwarfs the per resident overcharges of Irvine. Yet Dana Point is not even mentioned in the proposed plan. It gets no relief. The OCFA Chairman should postpone a planned vote and insist that the overcharged SFF cities of Villa Park, Aliso Viejo, Laguna Niguel and Dana Point are also granted overcharge relief. Why is only Irvine given equitable relief and these other cities are not even given lip service in the proposed agreement?

4. It does not let the Voice of OC, the Register, and members of the public even know what is going on. It keeps past discussion of this item as a closed session item, even though it apparently violates the law to do so. The OCFA Attorney needs to address this matter. He needs to abide with California law and not simply declare a matter such as this one to be a closed session item, when it is not according to County Counsel.

Summary

I recommend the following:

1. Do not hold a vote on any proposed Irvine agreement, until the County comes up with a revised plan of its own to grant equitable relief to County residents and the residents of Irvine, Villa Park, Aliso Viejo, Laguna Niguel and Dana Point based on an actual cost of services study.
2. Complete a needed Supervisor Bartlett cost matrix. This will finally allow OCFA member residents to learn how much their member cities are being overcharged/undercharged. This would provide Board members and their cities a complete and informed summary picture of what they are voting on. Without that as a framework, I maintain that OCFA member City Councils and the County Board of Supervisors cannot make an informed decision and approve this proposed agreement.
3. Grant equitable relief to all overcharged OCFA member cities.
4. The Board of Supervisors should submit an equitable adjustment plan in accordance with the specific instructions found at the end of the Court of Appeals Irvine Equitable Adjustment court case. The Court has given the County the exact path to follow to achieve long overdue equity.

Sincerely,

Stephen M. Wontrobski

E:OCFA-IRVINE AGREEMENT-3-27-19

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



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
March 28, 2019

Agenda Item No. 5A
Discussion Calendar

City of Irvine - Settlement Agreement

Contact(s) for Further Information

Lori Zeller, Deputy Chief
Administration & Support Bureau

lorizeller@ocfa.org

714.573.6020

Summary

This agenda item is submitted for approval of the proposed Settlement Agreement between the Orange County Fire Authority (OCFA) and the City of Irvine to strengthen the OCFA's partnership with Irvine and enhance our system of regional fire and emergency services on behalf of all members.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Approve and authorize the Board Chair to sign the proposed Settlement Agreement between the Orange County Fire Authority and the City of Irvine.

Impact to Cities/County

The proposed Settlement Agreement enhances the stability of OCFA's financial structure, it maintains the Irvine service-area intact as a significant central portion of OCFA's operational jurisdiction, and it enhances regional services for all members served by the OCFA.

Fiscal Impact

Ongoing annual expenditures pursuant to the Agreement total \$2,668,000 beginning FY 2019/20 and continuing through FY 2029/30. The Agreement also includes one-time expenditures of \$21 million, of which \$19.5 million is already set-aside in OCFA reserves. Upon approval of this Agreement, these funding requirements will be included in the upcoming FY 2019/20 Proposed Budget. Details relating to the cost impacts are provided in Attachment 1.

Background

On June 27, 2018, the City of Irvine provided OCFA with a Notice of Withdrawal seeking the initiation of good faith negotiations relative to its future membership with the OCFA. Staff representatives from both the City of Irvine and OCFA have engaged in discussions to formulate a negotiated agreement. Discussions progressed in a very collaborative manner, with both parties focused on enhancing regional services beneficial to the City of Irvine and all members of the Fire Authority.

We are pleased to present the attached Settlement Agreement (Attachment 2). This Agreement will benefit the citizens of Orange County, and enhance services provided throughout OCFA's jurisdiction. Highlights of the Agreement are as follow:

- Irvine's Notice of Withdrawal will be deemed rescinded upon approval of the Settlement Agreement by both parties.
- Funding for a joint police-fire training facility will be provided to allow for coordinated training and enhanced collaboration between law enforcement services and fire/emergency services. As the OCFA continues to grow, the need for additional training space has become a significant unmet need. This facility will provide much-needed classroom space, along with an additional Emergency Operations Center centrally located in the County, a driver-training course, and many other aspects that are key to the training needs for both police and fire.
- Additional security will be provided for OCFA's pension program through establishment of a 115 Trust with deposits of \$2 million per year, dedicated solely for future application to OCFA's pension liability.
- Public safety communications capabilities will be enhanced among public safety personnel through installation of bi-directional amplifiers in nine strategic locations where current radio communications are inadequate and unreliable. This enhancement not only improves our police and fire personnel's ability to deliver services through improved communications, but also increases personnel safety and the safety of their operations.
- Funding will be provided to establish a state-of-the-art Fire Safety and Emergency Operations Advanced Technology Program that utilizes remote-operated drones to assist fire and emergency response personnel in a variety of ways such as fire suppression/fire prevention and real-time monitoring during fire or other emergency incidents.
- Additional annual service enhancements under this Agreement include funding of a Community Emergency Response Team (CERT) coordinator and OCFA-provided training of Irvine Police Department officers for Emergency Medical Technician skills.

Upon approval of this Agreement by the OCFA Board of Directors, we anticipate that the Agreement will then be considered by the Irvine City Council for approval in early April.

Attachment(s)

1. Financial Impacts
2. Settlement Agreement

**Orange County Fire Authority
Settlement Agreement
City of Irvine**

Financial Impacts

	Cost per Enhancement Concept	Ongoing Cost/Year	One-Time Costs
1.	Joint Police-Fire Training Facility & EOC	\$0	\$20,500,000
2.	Pension Funding – Annual Deposits to 115 Trust:	\$2,000,000	\$0
3.	Bidirectional Amplifiers	\$0	\$500,000
4.	OCFA Training of IPD EMTs	\$50,000	\$0
5.	Public Safety CERT Coordinator	\$118,000	\$0
6.	Drone Program	\$500,000	\$0
OCFA's Annual Financial Contribution		\$2,668,000	
OCFA's Total Financial Contribution (over 11 years)		\$29,348,000	\$21,000,000
Total Projected Payments = \$50,348,000			



THE COUNTY COUNSEL
COUNTY OF ORANGE

333 W. SANTA ANA BLVD., SUITE 407
SANTA ANA, CA 92701
MAILING ADDRESS: P.O. BOX 1379
SANTA ANA, CA 92702-1379
(714) 834-3300
FAX: (714) 834-2399

Leon J. Page
County Counsel
(714) 834-3303

March 21, 2019

LEON J. PAGE
COUNTY COUNSEL

JAMES C. HARMAN
CHIEF ASSISTANT

MARIANNE VAN RIPER
NICOLE M. WALSH
SENIOR ASSISTANTS

KAREN L. CHRISTENSEN
ANGELICA CASTILLO DAFTARY
ROBERT N. ERVAJIS
LAURA D. KNAPP
TEBI L. MAKSOUDIAN
MARK D. SERVINO
NICOLE A. SIMS
DANA I. STITS
SUPERVISING DEPUTIES

JASON C. BROWN
DIRECTOR OF ADMINISTRATION

KANELLE B. PRICE
LAURIE A. SHADE
DANIEL H. SHEPHERD
STEVEN C. MILLER
CAROLYN S. FROST
MICHEL G. DAFTARY
REANNIE SU
WENDY J. PHILLIPS
MICHAEL A. HAUBERT
BRAD R. POSIN
SAUL BATES
AURELIO TORRE
DEBIE TORRES
JACQUELYNE GURMAN
ANDREA COLLIER
PAUL M. ALBARMAN
D. KEVIN DING
LOUI A. TORRES
MASSOUD SHAMEL
SHARON VICTORIA DURBIN
REBECCA S. LEEDS
ELIZABETH A. HEDAU
LAUREN C. KRANER
GABRIEL J. BOWNE
JULIA C. WOOD
MARK A. BATAJSE
ADAM C. CLANTON
KRISTEN K. LEBORG
ERIC A. DUYKE
JAMES D. P. STEDMANN
VANESSA D. ATKINS
SUZANNE E. SHOH
DEBORAH R. MORSE
MATTHEW S. SPRUELLER
KAYLA N. WATSON
CAROLYN M. KHOURAM
ANDIE J. LOO
RONALD T. MAGGAYSAY
JERRY P. CLEVELAND
SAMARA BELGARRI
CHRISTOPHER S. ANDERSON
JUSTIN A. GRAHAM
BRITTANY McLEAM
JEFFREY A. STOCK
MARK N. SANCHEZ
GOLNAZ ZANDKHEI
CYNTHIA G. DUDA
STEPHANIE L. WATSON
RAY GRAY
JESSICA PAULSON-DUFFY
BERNARD L. BERHARD
JOH-MICHAEL R. BRADLEY
PATRICK K. BRUSO
KEG K. TANAKA
TIFFANY PONCY
WILLIAM ROHR
DEPUTIES

Via U.S. Mail and Electronic Mail

David Kendig, General Counsel
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92612
dkendig@wss-law.com
lorizeller@ocfa.org
sherrywentz@ocfa.org

Re: OCFA Closed Session Item for March 26, 2019 Board of Directors Meeting

Dear Mr. Kendig:

We understand that OCFA is scheduled to consider the approval of an agreement with the City of Irvine in closed session at its meeting on March 26, 2019. This item was previously considered in closed session at an OCFA special meeting on March 13, 2019. The purpose of this letter is to express our concern that the actions taken by OCFA to approve this agreement are not consistent with the Brown Act, which may affect the validity of actions taken during the closed session.

The proposed approval of the agreement, which has not been publicly distributed or circulated among OCFA's member agencies, appears to be the culmination of prior discussions in closed session of matters that the Brown Act does not permit to be discussed in closed session. There is no pending litigation between OCFA and Irvine nor are we aware of any demand letters threatening litigation. Indeed, since representatives of Irvine and OCFA have been actively engaged in negotiations regarding the agreement, there is no reason not to identify the parties to the negotiation. Cal. Gov't Code § 54956.9 (local agency shall state the title of or otherwise specifically identify the litigation to be discussed).

OCFA was formed to permit its member agencies to provide policy input into and direction over the costs of fire protection services and the use of structural fire fund property taxes. Its express purpose is to permit its members to jointly exercise their common fire protection powers. The discussion of matters that directly affect the rights, obligations, and liabilities of OCFA members who are not parties to the agreement between OCFA and Irvine should not be discussed in a manner that impairs the ability of each member's representative on the Board to consult with their agency's staff regarding the impact of the agreement on the agency member. Likewise, the discussion of subjects of common interest

David Kendig, General Counsel

March 21, 2019

Page 2

to OCFA's members such as the payment of liability of OCFA members for their allocated share of OCFA's pension liability should be discussed on the public agenda.

Statutory exceptions authorizing closed sessions of legislative bodies are construed narrowly. *Page v. MiraCosta Cmty. Coll. Dist.*, 180 Cal. App. 4th 471, 501 (2009). In *Shapiro v. San Diego City Council*, 96 Cal. App. 4th 904, 917 (2002), the court held that the closed session discussion of the terms for purchase or sale of specific real property did not extend to such matters as briefings on land acquisition, design work of architects and engineers, infrastructure and parking developments, capping interim expenses, environmental impact report (EIR) considerations, issues of alternative sites, traffic, naming rights, and policy considerations such as the project's impact on the homeless. The court held that such matters were beyond scope of the Act's provision for closed sessions to instruct negotiators regarding purchase or sale of specific real property.

Likewise, the discussion of the agreement between Irvine and OCFA appears to have broad policy and liability implications that extend far afield from the discussion of the respective rights of Irvine and OCFA. See 94 Cal. Op. Att'y Gen. 82 (2011) (exception does not permit the closed-session discussion of any and all aspects of a proposed transaction that might have some effect on price and payment terms).

Accordingly, to remedy the prior actions taken in closed session, we request that OCFA place the discussion of the agreement with the City of Irvine on OCFA's public agenda at a regularly scheduled meeting and provide OCFA's Directors with copies of the draft agreement prior to the meeting at which it will be considered with sufficient time so that they may consult with their agency's staff and counsel.

Very truly yours,

LEON J. PAGE
COUNTY COUNSEL

By


Leon J. Page, County Counsel

MDS:LJP:jr

cc: Orange County Fire Authority Board of Directors
Lori Zeller, OCFA, Assistant Chief of Business Services
Sherry Wentz, Clerk of Orange County Fire Authority (for distribution to OCFA Board of Directors)



LISA A. BARTLETT
CHAIRWOMAN
ORANGE COUNTY BOARD OF SUPERVISORS
SUPERVISOR, FIFTH DISTRICT

ORANGE COUNTY HALL OF ADMINISTRATION
333 W. SANTA ANA BLVD.
10 CIVIC CENTER, SANTA ANA, CALIFORNIA 92701
PHONE (714) 834-3550 FAX (714) 834-2670
<http://bos.ocgov.com/fifth/>

March 20, 2019

David Kendig, General Counsel
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92612

Jeffrey Melching, City Attorney
City of Irvine
1 Civic Center Plaza
Irvine, CA 92606

Re: Settlement Agreement between Orange County Fire Authority and Irvine

Dear Mr. Kendig and Mr. Melching:

I understand that a proposal for OCFA to enter into an agreement with the City of Irvine will be presented to OCFA's Board of Directors. A copy of this agreement was provided to County Counsel yesterday. We appreciate having the opportunity to review and comment on agreement. The agreements affects the expenditure of millions of dollars in OCFA revenues, and affects the rights and obligations of OCFA members who are not signatories to this agreement. Thus, we request that this matter be placed on a public agenda so that OCFA's Board members can have adequate time to review the agreement prior to the meeting and discuss the following issues:

A. Joint Police-Fire Training Facility (Paragraph 1)

The agreement refers to a separate, long-term Joint Use Understanding agreement that will govern Irvine and OCFA's use of a Joint Training Facility. Irvine will own this facility. Given that OCFA will contribute \$20.5 million of general fund money toward the construction of this facility, we would like to understand the terms of this arrangement, including how OCFA or its successor agencies would be able to use the facility, particularly if Irvine is not a constituent member of that successor fire agency.

B. Irvine Community Emergency Response Team (CERT) Coordinator (Paragraph 5)

Paragraph 5 of the agreement provides that OCFA shall pay Irvine \$118,000 per fiscal year for a full-time CERT Coordinator who will be employed by Irvine. We question whether this is a valid expenditure of OCFA funds, because all OCFA members have delegated their fire protection powers to OCFA. Thus, it may be inconsistent with Government Code section 6503.1 and OCFA's Joint Powers Agreement for OCFA to enter into an agreement with a member to transfer monies for the member to separately employ personnel who are engaged in fire protection duties.

C. Accelerated Pension Pay Down (Paragraph 6)

Paragraph 6 of the agreement provides that OCFA shall pay \$2 million per year into a 115 Trust established with Public Agency Retirement Services (PARS) or OCERS to pay down OCFA's unfunded pension liability. The agreement further provides that this payment shall be reduced to \$1.5 million per year if OCFA has not funded 85 percent of its unfunded pension liability as determined by OCERS until OCFA achieves the 85 percent target. We have several concerns regarding the pension provisions of the agreement.

First, the pension provisions appear to affect all OCFA members, not just Irvine. However, only Irvine and OCFA are parties to this agreement, not any other members of OCFA. In the event of a dissolution of OCFA, it is unclear whether Paragraph 6 would be enforceable by OCFA members with respect to the allocation or payment of OCFA pension liability if only Irvine and OCFA have executed this agreement. Ideally, these provisions should be incorporated into an amendment to OCFA's joint powers agreement and reconciled with OCFA's Fourth Amendment, which also has similar attribution language relating to the pay down of OCFA's pension liabilities.

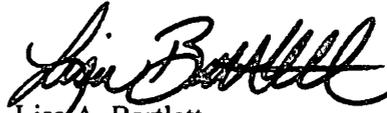
Second, neither the agreement nor the Fourth Amendment address how the pension pay down provisions apply with respect to the withdrawal of an OCFA member, which does not result in the dissolution of OCFA. For example, Placentia has withdrawn from OCFA without being required to pay its estimated \$21 million share of OCFA's UAAL. Likewise, the agreement does not address what happens if Irvine or another SFF member were to withdraw from OCFA in 2030. Instead, the agreement only discusses the use of the 115 Trust in the event of OCFA's dissolution. Does a withdrawing SFF member forfeit the benefit of the 115 Trust?

Third, we understand that Irvine and OCFA are making some revisions to the agreement to clarify that if OCFA has not reached an 85 percent UAAL funding target, the \$500,000 reduction of annual 115 Trust payments from \$2 million to \$1.5 million will be used by OCFA to directly pay OCERS as part of OCFA's "snowball" accelerated pension liability pay down plan, which is the subject of the Fourth Amendment to the Joint Powers Agreement. While I am supportive of taking steps to address OCFA's unfunded pension liability, this raises the question of whether it is a good policy to maintain a separate 115 Trust that does not directly count towards the reduction of OCFA's pension liability as determined by OCERS.

Fourth, the agreement incorporates the calculation methodology for OCFA's contributions to the Structural Fire Fund Entitlement Fund ("SFF Entitlement Fund") contained in the equity provisions of OCFA's Joint Powers Agreement. However, it is not clear whether OCFA's payments under the agreement are in addition to, or in lieu of, the contributions to the SFF Entitlement Fund. Put another way, how does the agreement operate and interact with the equity provisions of OCFA's Joint Powers Agreement, since only Irvine and OCFA are parties to the settlement agreement?

Overall, I am supportive of efforts to re-admit Irvine as a participating member of OCFA's Board of Directors. I am also supportive of efforts to address OCFA's unfunded pension liability. However, given the concerns outlined above and the significance of the matters impacted by the agreement with Irvine, which directly affect OCFA members who are not signatories to the agreement, I request that this matter be continued at least to the next meeting of OCFA's Board of Directors and placed on the public agenda.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Bartlett". The signature is fluid and cursive, with the first name "Lisa" being the most prominent.

Lisa A. Bartlett
Chairwoman, OC Board of Supervisors
Supervisor, 5th District

cc: Lori Zeller, Assistant Chief of Business Services