

## June 24, 2013 Finance Committee Agenda Item Comments

These comments on items on the Newport Beach City Council Finance Committee agenda are submitted by: Jim Mosher ( [jimmosher@yahoo.com](mailto:jimmosher@yahoo.com) ), 2210 Private Road, Newport Beach 92660 (949-548-6229)

### ***Item 4. Approval of May 13, 2013, Minutes***

The draft minutes submitted are well written, and provide, in my view, an excellent and very readable record of what happened at the May 13 meeting. I might offer the following two suggested corrections to the content on page 1:

1. Under “**1. CALL TO ORDER**”: “*The meeting was called to order at 4:00 p.m. in the **Council Newport Coast** Conference Room, **Bay 2E**, 100 Civic Center Drive, Newport Beach, California 92660.*”
2. Under “**2. ROLL CALL -- Members of the public:**” Although members of the public are not required to identify themselves as a condition of attendance, my recollection is that in addition to the person listed, Water Quality / Coastal Tidelands Committee member **Carl Cassidy** was present for the entire meeting, and Harbor Commissioner **Ralph Rodheim** was present for part of it. They might (or might not?) wish their names to appear in the minutes.

### ***Item 5.B. City Insurance Renewals:***

Having read this staff report, and the additional information in the one being presented to the full Council with Item 21 on Tuesday’s agenda, the following questions come to the mind of one not versed in insurance matters or terminology:

1. The “excess” in “excess general liability,” etc., appears to mean the policy will pay only after the City has paid the specified self-insured retention (SIR) amount. Is it correct to assume the SIR is applied separately to each individual claim, rather than treated as a cumulative annual “deductible”? If so, who determines how claims are separated?
2. Similarly, is the \$50 million limit referred to in the table the limit applied to each individual claim (“per occurrence”), or a cumulative total for the year?
3. “*Ironshore, Arch and AWAC* [Allied World Assurance Company]” seem to be three separate companies located by our broker, Alliant Insurance Services, and not the name of a single firm. Yet the table in the staff report treats them like a single name and suggests we are currently paying a single premium of \$539,276 for excess general liability. This remains confusing to me. Do we actually have multiple general liability policies with the three companies? If so, how do they interact with one another when a claim is presented?

4. Have the Haeyoon Miller death claim(s ?) been settled? If so, for how much? What other large claims has the City received or settled that are making carriers hesitant to write a policy?
5. Would it be appropriate to consult a different broker to see if lower quotes could be obtained?

### ***Item 5.C. Fire Fee Schedule***

As a general comment, I would say that although the proliferation of very specific fees, and the alignment of fee titles with the OC Fire and CFC designations will undoubtedly be helpful for the administrative staff, the number of fees listed in the City's Master Fee Schedule is already daunting to the public, and these additions will make them seem even more so. Even with the current smaller number, the purpose and application of many of the fire-related charges has been an ongoing mystery for me, and the following questions remain after reading the staff report:

1. Who is on the "Ad Hoc Architectural Committee" mentioned on page 2?
2. Regarding the Fire Medics program (page 3), the residential rate is proposed to go up 25%, but the rate for groups of more than 10 business employees, including the maximum, will roughly double. What is the basis of the difference?
3. How do the Fire Medics revenues compare to the revenues that would be received if the services actually provided were billed according to the non-subscriber fee schedule?
4. A more than two year old message on the City's Fire Medics program [webpage](#) says the City is replacing the [Aculert system](#) with something better for providing the paramedics with the caller's medical history. How is that panning out, and will it increase the cost efficiency of the program? The current brochure being handed out at City Hall (which differs from the version linked on [on-line](#)), suggests applicants are asked to complete a questionnaire. The old brochure, on the other hand, includes a disclaimer that "*Paramedic services will be rendered regardless of ability to pay or membership in Fire Medics.*" Is that still the City policy?
5. Also regarding the Fire Medics program:
  - a. Do subscribers receive a clear contract clarifying such things as how "members of the household" (who are apparently covered even if not at home) are distinguished from "guests" (who are in the program only when physically at a covered property) and whether workers are "guests"?
  - b. Is there, or should there be, an option for business owners, such as contractors, without a definite "business site"?
  - c. Should there be an option for non-residents? Or portability to other jurisdictions with similar programs?
  - d. Are paramedic services provided by lifeguards included?
  - e. Are victims of an accident not of their causing billed? Does it matter if they asked/called for help?

6. With regard to the changes to the subsidy levels listed in NBMC Section 3.36, I find it difficult to verify how the proposed elimination of the 80% subsidy for basic and advanced life support and transport is reflected in the new fee schedule. I would have expected a 5X increase in what I assume are the fees charged to Fire Medics non-subscribers, but I don't see that. Page 19 of the proposed fee schedule (page 31 of the 40 page PDF agenda packet) lists a "*Basic - Response & Transport*" fee of \$732 and an "*Advanced - Response & Transport*" fee of \$879. Those might be compared to the subsidized fees set on March 8, 2011, which were \$237 and \$349; but at that time there was also a \$704 plus \$17 per mile transport charge, which seems to have been deleted or absorbed into the new fees. What exactly would the charges be for a typical medical incident under the old (80% subsidized) and new (unsubsidized) systems?
7. I likewise have trouble deciphering the proposed changes in day care inspection fees, and many others, because the designations have changed.
8. On page 1 of the proposed fee schedule, hourly Lifeguard and Lifeguard Supervisor fees have been moved under the "Junior Guards" heading. What are these fees for and when are they charged?
9. Also on page 1, under "Fire Response Services" I have never understood the fees listed for equipment and personnel:
  - a. If I have a fire at my house, am I charged at these rates for all the trucks and personnel who show up? What other items might I be billed for?
  - b. Does it make a difference if I call or not?
  - c. Am I charged if trucks other than the paramedics respond to a medical emergency call?
10. What happened to the "Candle permit" fee that appears in current Master Fee Schedule?

### ***Item 5.D. Third Review of Facilities Financial Planning Tool***

1. I think the separation of Tidelands from General Fund projects is going to continue to be difficult to convey. One would think Marina Park and the Lifeguard Headquarters Remodel would be at least partially Tidelands funded, yet that is not immediately evident from the FFPT.
2. In the "Dashboard," under "*Policy*" it might be helpful to identify the Council Policy from which the numbers listed derive. For example, what policy gives the dollar amount target for "*Minimum FFP Reserve Balance*"?
3. The staff report (page 1) lists \$729,459 of anticipated developer fees deferred from FY12-13 to FY13-14. I have difficulty identifying items totaling that in the chart on the final page of the FFPT.