



ORANGE COUNTY FIRE AUTHORITY

REVISED AGENDA

Pursuant to the Brown Act, this meeting also constitutes a meeting of the Board of Directors.

EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, May 21, 2015
6:00 P.M.

**Regional Fire Operations and Training Center
Board Room**
1 Fire Authority Road
Irvine, CA 92602

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>

If you wish to speak before the Fire Authority Executive Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to being heard before the Committee. Speaker Forms are available at the counters of both entryways of the Board Room.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040.

CALL TO ORDER

INVOCATION by OCFA Chaplain Warren Johnson

PLEDGE OF ALLEGIANCE by Vice Chair Hernandez

ROLL CALL

1. PRESENTATIONS

No items.

PUBLIC COMMENTS

Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Committee on items within the Committee's subject matter jurisdiction but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Committee as a whole, and do not engage in dialogue with individual Committee Members, Authority staff, or members of the audience.

The Agenda and Minutes are now available through the Internet at www.ocfa.org. You can access upcoming agendas on the Monday before the meeting. The minutes are the official record of the meeting and are scheduled for approval at the next regular Executive Committee meeting.

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR

FIRE CHIEF'S REPORT

2. MINUTES

A. Minutes from the April 16, 2015, Regular Executive Committee Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR

All matters on the consent calendar are considered routine and are to be approved with one motion unless a Committee Member or a member of the public requests separate action on a specific item.

A. Monthly Investment Reports

Committee Recommendation: APPROVE

Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:

Receive and file the reports.

B. Third Quarter Financial Newsletter

Committee Recommendation: *APPROVE*

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

C. Quarterly Report of Claims

Submitted by: Jeremy Hammond, Director/Human Resources Department

Recommended Action:

Receive and file the report.

D. Sole Source Blanket Order - International Truck Parts Service and Repair

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to establish a sole source blanket order contract with Westrux International with an annual contract amount not to exceed \$35,000.
2. Authorize the Purchasing Manager to extend the contract for up to two additional years at a not to exceed amount of \$35,000 annually.

E. Sole Source Blanket Order Contracts Extensions and Renewals – Information Technology

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to extend and renew sole source blanket order contracts with NI Government Services, Inc., SAP Public Services, Inc., and 6th Street Consulting for up to three years.

F. Sole Source Purchase Order – Motorola 800MHz Portable and Mobile Radios

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to issue a sole source purchase order to Motorola Solutions in the amount of \$139,997.27 (including tax and shipping) for the purchase of 24 Motorola 800MHz portable and mobile radios with associated chargers, cables, control heads, and software.

G. Award of Bid RO2013 – Oracle Software Licensing and Support

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to establish a blanket order contract with Xerox Government Systems, Inc. for the purchase of Oracle Software Licensing and Support for a three-year term in the three-year aggregate amount of \$146,650.

H. Award of Bid JA2026 – Deka Automotive Batteries

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to establish a blanket order contract with East Penn Manufacturing, Inc., with an annual contract amount not to exceed \$70,000.
2. Authorize the Purchasing Manager to extend the contract for up to two years at \$70,000 per year.

END OF CONSENT CALENDAR

4. DISCUSSION CALENDAR

A. Legislative Update AB 1217

Submitted by: Sandy Cooney, Director/Communications and Public Affairs

Recommended Action:

1. Receive the oral update and provide additional direction to the Communications and Public Affairs Director, if needed.
2. Approve and authorize up to an additional \$5,000 per month for the period of June 1, 2015 – September 1, 2015, to engage Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP, (current OCFA lobbyist) for additional assistance in opposition to AB 1217.

COMMITTEE MEMBER COMMENTS

CLOSED SESSION

No items.

ADJOURNMENT – The next regular meeting of the Executive Committee is scheduled for Thursday, June 18, 2015, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 14th day of May 2015.

Sherry A.F. Wentz, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Board of Directors Special Meeting	Thursday, May 28, 2015, 5:30 p.m.
Human Resources Committee Meeting	Tuesday, June 2, 2015, 12:00 noon
Budget and Finance Committee Meeting	Wednesday, June 10, 2015, 12:00 noon
Claims Settlement Committee Meeting	Thursday, June 18, 2015, 5:30 p.m.



ORANGE COUNTY FIRE AUTHORITY

SUPPLEMENTAL AGENDA

EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, May 21, 2015

6:00 P.M.

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, CA 92602

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>

If you wish to speak before the Fire Authority Executive Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to being heard before the Committee. Speaker Forms are available at the counters of both entryways of the Board Room.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040.

The following item is added to the above stated agenda in the location noted below. This item is posted in conformance with the Brown Act and is to be considered as part of the regular agenda.

CLOSED SESSION

CS1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: Orange County Fire Authority and City of Irvine v All Persons Interested in the Matter of the Validity of that Second Amendment to Amended Joint Powers Authority

Case No.: Court of Appeal, Fourth Appellate District, Division Three – Appellate Case No. G050687

Authority: Government Code Section 54956.9(d)(1)

CLOSED SESSION REPORT

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 18th day of May 2015.

Sherry A.F. Wentz, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 1
Presentations

There are no items for Section 1
PRESENTATIONS.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting
Thursday, April 16, 2015
6:00 P.M.**

**Regional Fire Operations and Training Center
Board Room
1 Fire Authority Road
Irvine, CA 92602**

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Executive Committee was called to order at 6:07 p.m. on April 16, 2015.

INVOCATION

Chaplain Ken Krikac offered the invocation.

PLEDGE OF ALLEGIANCE

Director Lalloway led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Lisa Bartlett, Alternate, County of Orange
Noel Hatch, Laguna Woods
Gene Hernandez, Yorba Linda
Jeffrey Lalloway, Irvine
Jerry McCloskey, Laguna Niguel
David Shawver, Stanton
Elizabeth Swift, Buena Park

Absent: Al Murray, Tustin
Todd Spitzer, County of Orange

Also present were:

Fire Chief Jeff Bowman	Assistant Chief Lori Zeller
Assistant Chief Brian Young	Assistant Chief Lori Smith
Assistant Chief Dave Thomas	General Counsel David Kendig
Clerk of the Authority Sherry Wentz	Human Resources Director Jeremy Hammond
Communications Director Sandy Cooney	

1. PRESENTATIONS

No items.

PUBLIC COMMENTS (F: 12.02A3)

Vice Chair Hernandez opened the Public Comments portion of the meeting. Vice Chair Hernandez closed the Public Comments portion of the meeting without any comments.

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 12.02A6)

Budget and Finance Committee Chair McCloskey reported at the April 8, 2015, meeting of the Budget and Finance Committee, the Committee voted unanimously to receive and file the report regarding the Quarterly Status Update Orange County Employees' Retirement System. Additionally, the Committee reviewed the Monthly Investment Reports and voted unanimously to direct staff to place this item on the agenda for the Executive Committee meeting, with the recommendation that the Executive Committee approve the recommended actions. The Committee also reviewed the Credit Card Service Fee Policy and the Organizational Development and Training (ODT) Manager Position and voted to direct staff to place these items on the agenda for the Board of Directors meeting with the recommendation that the Board of Directors approve the recommended actions.

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 12.02A6)

Human Resources Committee Chair Shawver reported the Human Resources Committee did not meet in the month of April; therefore there is nothing to report at this time.

FIRE CHIEF'S REPORT (F: 12.02A7)

Fire Chief Bowman deferred his report to the next Board of Directors meeting.

2. MINUTES

A. Minutes from the March 19, 2015, Regular Executive Committee Meeting (F: 12.02A2)

On motion of Director McCloskey and second by Director Shawver, the Executive Committee voted to approve the Minutes from the March 19, 2015, Regular Executive Committee meeting as submitted. Director Bartlett abstained due to her absence from the meeting.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted unanimously to receive and file the reports.

B. Sole Source Blanket Order Contracts – Information Technology (F: 15.09F)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted unanimously to approve and authorize the Purchasing Manager to renew and adjust sole source blanket order contracts for FATPOT Technologies, Verizon Inc., and Xerox Government Systems for up to three years to pay for annual software license and maintenance fees.

C. Blanket Order Contract – Information Technology (F: 15.09F)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted to approve and authorize the Purchasing Manager to extend the Systems Maintenance Services blanket order contract for two additional years for a price not to exceed \$38,405.76 annually.

D. Award of Bid JA2019 – Purchase of 17 Chevrolet Colorados (F: 19.09E)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted to approve and authorize the Purchasing Manager to issue a purchase order to Winner Chevrolet in the amount of \$444,989.95 (includes tax).

E. Award of Bid RO2009 - Personal Protective Equipment Maintenance and Repair (F:19.12)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted to:

1. Approve and authorize the Purchasing Manager to establish a blanket order contract with ECMS for an annual contract amount not to exceed \$40,000.
2. Authorize the Purchasing Manager to extend the contract up to two additional years at \$40,000 per year with annual increases not to exceed 3%.

F. Award of Bid RO2010 - EMS Nitrile Gloves (F: 19.12) (X: 18.05)

On motion of Director Swift and second by Director Lalloway, the Executive Committee voted to:

1. Approve and authorize the Purchasing Manager to establish a blanket order contract with Bound Tree Medical LLC., with an annual contract amount not to exceed \$150,000.
2. Authorize the Purchasing Manager to extend the contract for up to two years at \$150,000 per year with annual increases not to exceed 2%.

4. DISCUSSION CALENDAR

A. Legislative Update AB 1217 (F: 11.10F4)

Director of Communications and Public Affairs Sandy Cooney presented the staff report.

Ray Geagan, President Orange County Professional Firefighters Association, Local 3631, spoke in support of Assembly Bill 1217.

A lengthy discussion ensued regarding the bill as written, member agencies' positions on the current bill, solicitation of full Board input, and future meeting with Assemblymember Daly.

On motion of Vice Chair Hernandez and second by Director McCloskey, the Executive Committee voted to oppose Assembly Bill 1217, pending direction of the full Board of Directors. Director Shawver abstained and Director Lalloway opposed.

COMMITTEE MEMBER COMMENTS (F: 12.02A4)

Director Swift announced that the traveling Vietnam Memorial Wall will be on display in Buena Park until Saturday, April 18, 2015.

Director Shawver reported on his lobbying efforts with the Orange County Board of Supervisors regarding the validation of the JPA Amendment. He recommended the OCFA Board send a letter to the Board of Supervisors requesting their support and validation of the amendment.

Director Hatch asked Chief Bowman if southern California is in the fire season.

Fire Chief Bowman reported due to the lack of rainfall, fire season is year-round. He noted field moisture is twenty percent less than normal and depleted water supplies are a daily concern.

Director Lalloway noted his disappointment in the Orange County Board of Supervisor's actions regarding the equity issue.

Vice Chair Hernandez noted the City of Yorba Linda has severe dry brush areas. He suggested OCFA staff present water-wise techniques to city councils countywide.

CLOSED SESSION

No items.

ADJOURNMENT – Vice Chair Hernandez adjourned the meeting at 7:14 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, May 21, 2015, at 6:00 p.m.

Sherry A.F. Wentz, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3A
Consent Calendar

Monthly Investment Reports

Contact(s) for Further Information

Tricia Jakubiak, Treasurer Treasury & Financial Planning	triciajakubiak@ocfa.org	714.573.6301
Jane Wong, Assistant Treasurer	jane Wong@ocfa.org	714.573.6305

Summary

This agenda item is a routine transmittal of the monthly investment reports submitted to the Committee in compliance with the investment policy of the Orange County Fire Authority and with Government Code Section 53646.

Prior Board/Committee Action – Committee Recommendation: APPROVE

At its special May 14, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

Receive and file the reports.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Attached is the final monthly investment report for the month ended March 31, 2015. A preliminary investment report as of April 24, 2015, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – March 2015/Preliminary Report – April 2015

Orange County Fire Authority Monthly Investment Report



Final Report – March 2015

Preliminary Report – April 2015



Monthly Investment Report Table of Contents

<i>Final Investment Report – March 31, 2015.....</i>	<i>1</i>
<i>Executive Summary.....</i>	<i>2</i>
<i>Benchmark Comparison.....</i>	<i>3</i>
<i>Portfolio Size, Yield, & Duration.....</i>	<i>3</i>
<i>Portfolio Summary.....</i>	<i>4</i>
<i>Portfolio Details.....</i>	<i>5</i>
<i>Aging Report.....</i>	<i>8</i>
<i>Notes to Portfolio Management Report.....</i>	<i>9</i>
<i>Local Agency Investment Fund.....</i>	<i>10</i>
<i>Preliminary Investment Report – April 24, 2015.....</i>	<i>12</i>
<i>Portfolio Summary.....</i>	<i>13</i>
<i>Portfolio Details.....</i>	<i>14</i>
<i>Aging Report.....</i>	<i>17</i>
<i>Notes to Portfolio Management Report.....</i>	<i>18</i>
<i>Glossary.....</i>	<i>19</i>



Orange County Fire Authority

Final Investment Report

March 31, 2015



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of March 2015, the size of the portfolio increased to \$163.8 million from \$156.5 million. Significant receipts for the month included the fifth apportionment of secured property taxes in the amount of \$11.4 million and various contract and grant payments and charges for current services totaling \$20.2 million. Significant disbursements included two biweekly payrolls, which were approximately \$9.8 million each with related benefits, and a payment of \$2.1 million for fire apparatus. Total March cash outflows amounted to approximately \$25.1 million. The portfolio's balance is expected to increase significantly in the following month as the next major property tax receipt is scheduled in April.

In March, the portfolio's yield to maturity (365-day equivalent) dropped by 1 basis point to 0.28%. The effective rate of return declined by 2 basis points to 0.28% for the month, but stayed unchanged at 0.26% for the fiscal year to date. The average maturity of the portfolio shortened by 10 days to 141 days to maturity.

Economic News

The U.S. economy continued to pull back in March 2015. Employment conditions unexpectedly weakened perhaps partly due to the harsh winter weather. There were a total of 126,000 new jobs created for the month, a much lower number than expected. The unemployment rate, on the other hand, stayed unchanged at 5.5%. The Conference Board Consumer Confidence Index increased while the University of Michigan Consumer Sentiment index declined. Retail sales increased, but less than expected. Both the manufacturing and non-manufacturing sectors declined slightly in March. Industrial production dropped slightly while durable goods orders increased, although the increase was primarily due to seasonal (and volatile) aircraft orders. Real GDP (Gross Domestic Product) for the first quarter of 2015 was at 0.2%, a much weaker growth pace than expected. Both the CPI (Consumer Price Index) and PPI (Producer Price Index) increased primarily due to higher energy and gasoline prices in March. Housing activity remained mixed and slow. The Leading Economic Index rose slightly while the NFIB (National Federation of Independent Business) Small Business Optimism Index fell for the month. On April 29, 2015, the Federal Open Market Committee met and voted to keep the federal funds rate at a target range of 0 – 0.25%. The Committee slightly downgraded its assessment of the economy. Current expectations are mixed as to when the first rate hike will take place, either in June or September.



BENCHMARK COMPARISON AS OF MARCH 31, 2015

<i>3 Month T-Bill:</i> 0.03%	<i>1 Year T-Bill:</i> 0.25%
<i>6 Month T-Bill:</i> 0.11%	<i>LAIF:</i> 0.28%
<i>OCFA Portfolio:</i> 0.28%	

PORTFOLIO SIZE, YIELD, & DURATION

	<u><i>Current Month</i></u>	<u><i>Prior Month</i></u>	<u><i>Prior Year</i></u>
<i>Book Value-</i>	\$163,760,461	\$156,514,261	\$122,642,674
<i>Yield to Maturity (365 day)</i>	0.28%	0.29%	0.28%
<i>Effective Rate of Return</i>	0.28%	0.30%	0.30%
<i>Days to Maturity</i>	141	151	164



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
March 31, 2015

Orange County Fire Authority
 1 Fire Authority Road
 Irvine, Irvine, CA 92602
 (714)573-6301

(See Note 1 on page 9)

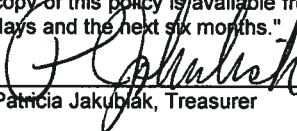
(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	6,443,168.48	6,443,168.48	6,443,168.48	3.94	1	1	0.001	0.001
Federal Agency Coupon Securities	34,888,888.78	34,879,365.45	34,899,743.35	21.37	1,294	528	0.714	0.724
Federal Agency Disc. -Amortizing	72,000,000.00	71,992,800.00	71,988,630.00	44.08	130	64	0.099	0.101
Local Agency Investment Funds	50,000,000.00	50,019,186.40	50,000,000.00	30.61	1	1	0.274	0.278
Investments	163,332,057.26	163,334,520.33	163,331,541.83	100.00%	334	141	0.280	0.284

Cash	Par Value	Market Value	Book Value	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Passbook/Checking (not included in yield calculations)	523,086.09	523,086.09	523,086.09	1	1	0.000	0.000
Total Cash and Investments	163,855,143.35	163,857,606.42	163,854,627.92	334	141	0.280	0.284

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	39,085.18	319,482.25
Average Daily Balance	165,770,943.16	162,785,890.37
Effective Rate of Return	0.28%	0.26%

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2015. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."


 Patricia Jakublak, Treasurer 4/3/15

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 163,854,627.92
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ (94,166.47)
Total	\$ 163,760,461.45

Page 4

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
March 31, 2015

(See Note 1 on page 9) (See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	High Mark 100% US Treasury MMF			6,443,168.48	6,443,168.48	6,443,168.48	0.001	0.001	1	
Subtotal and Average			8,496,285.10		6,443,168.48	6,443,168.48	6,443,168.48		0.001	1	
Federal Agency Coupon Securities											
3133ECM76	809	Federal Farm Credit Bank (Callable anytime)		04/25/2013	9,000,000.00	8,999,730.00	8,997,771.31	0.400	0.424	387	04/22/2016
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	6,000,540.00	6,000,000.00	1.000	0.981	861	08/09/2017
3133813R4	800	Fed Home Loan Bank (Callable 4-9-15)		12/20/2012	9,000,000.00	8,976,420.00	9,007,678.91	1.000	0.966	953	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable anytime)		03/15/2013	888,888.78	888,675.45	888,833.06	0.470	0.477	341	03/07/2016
3130A3RM8	850	Fed Home Loan Bank (Callable 6-30-15)		12/30/2014	10,000,000.00	10,014,000.00	10,005,460.07	0.770	0.645	90	12/30/2016
Subtotal and Average			34,899,895.90		34,888,888.78	34,879,365.45	34,899,743.35		0.724	528	
Federal Agency Disc. -Amortizing											
313312FH8	846	Farm Credit Disc Note		12/18/2014	9,000,000.00	8,999,640.00	8,998,705.00	0.140	0.144	37	05/08/2015
313396ED1	847	Freddie Mac		12/18/2014	9,000,000.00	8,999,910.00	8,999,763.75	0.105	0.108	9	04/10/2015
313396FX6	848	Freddie Mac		12/18/2014	9,000,000.00	8,999,460.00	8,998,342.50	0.130	0.134	51	05/22/2015
313396GM9	849	Freddie Mac		12/18/2014	9,000,000.00	8,999,010.00	8,997,806.25	0.135	0.139	65	06/05/2015
313384HN2	851	Fed Home Loan Bank		02/03/2015	9,000,000.00	8,998,650.00	8,998,200.00	0.080	0.082	90	06/30/2015
313384HB8	852	Fed Home Loan Bank		03/09/2015	9,000,000.00	8,998,830.00	8,999,012.50	0.050	0.051	79	06/19/2015
313384HN2	853	Fed Home Loan Bank		03/12/2015	10,000,000.00	9,998,500.00	9,998,500.00	0.060	0.062	90	06/30/2015
313384HN2	854	Fed Home Loan Bank		03/18/2015	8,000,000.00	7,998,800.00	7,998,300.00	0.085	0.087	90	06/30/2015
Subtotal and Average			72,374,762.16		72,000,000.00	71,992,800.00	71,988,630.00		0.101	64	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,019,186.40	50,000,000.00	0.278	0.278	1	
Subtotal and Average			50,000,000.00		50,000,000.00	50,019,186.40	50,000,000.00		0.278	1	
Total and Average			165,770,943.16		163,332,057.26	163,334,520.33	163,331,541.83		0.284	141	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
March 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10104	10104	ABPA (Acct Closed)		07/01/2014	0.00	0.00	0.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2014	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2014	503,086.09	503,086.09	503,086.09		0.000	1
SYS361	361	CORVEL (Acct Closed)		07/01/2014	0.00	0.00	0.00		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			165,770,943.16		163,855,143.35	163,857,606.42	163,854,627.92		0.284	141

(This Page Intentionally Left Blank)



**ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of April 1, 2015**

Orange County Fire Authority
1 Fire Authority Road
Irvine, Irvine, CA 92602
(714)573-6301

Page 8

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	(04/01/2015 - 04/01/2015)	6 Maturities	0 Payments	56,966,254.57	34.77%	56,966,254.57	56,985,440.97
Aging Interval:	1 - 30 days	(04/02/2015 - 05/01/2015)	1 Maturities	0 Payments	9,000,000.00	5.49%	8,999,763.75	8,999,910.00
Aging Interval:	31 - 60 days	(05/02/2015 - 05/31/2015)	2 Maturities	0 Payments	18,000,000.00	10.98%	17,997,047.50	17,999,100.00
Aging Interval:	61 - 91 days	(06/01/2015 - 07/01/2015)	5 Maturities	0 Payments	45,000,000.00	27.46%	44,991,818.75	44,993,790.00
Aging Interval:	92 - 121 days	(07/02/2015 - 07/31/2015)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(08/01/2015 - 08/31/2015)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(09/01/2015 - 10/01/2015)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(10/02/2015 - 12/31/2015)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(01/01/2016 - 03/31/2016)	1 Maturities	0 Payments	888,888.78	0.54%	888,833.06	888,675.45
Aging Interval:	366 - 1095 days	(04/01/2016 - 03/31/2018)	4 Maturities	0 Payments	34,000,000.00	20.76%	34,010,910.29	33,990,690.00
Aging Interval:	1096 days and after	(04/01/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			19 Investments	0 Payments		100.00	163,854,627.92	163,857,606.42



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2014 includes an increase of \$14,938 to the LAIF investment and a decrease of \$(109,104) to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



Local Agency Investment Fund (LAIF)

As of March 31, 2015, OCFA has \$50,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2015 is 1.000383728. When applied to OCFA's LAIF investment, the fair value is \$50,019,186 or \$19,186 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at March 31, 2015 is included on the following page.



**State of California
Pooled Money Investment Account
Market Valuation
3/31/2015**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 9,935,849,217.25	\$ 9,941,554,440.76	\$ 9,942,404,000.00	NA
Notes	\$ 17,813,380,152.91	\$ 17,810,620,708.18	\$ 17,835,471,000.00	\$ 24,369,871.50
Federal Agency:				
SBA	\$ 585,278,270.34	\$ 585,278,270.34	\$ 580,189,188.77	\$ 519,916.09
MBS-REMICs	\$ 96,154,707.08	\$ 96,154,707.08	\$ 103,062,066.26	\$ 457,548.05
Debentures	\$ 1,759,446,063.01	\$ 1,759,433,910.23	\$ 1,759,796,850.00	\$ 1,355,341.71
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 2,496,782,118.01	\$ 2,497,274,472.16	\$ 2,497,375,000.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
Supranational Debentures	\$ 450,235,913.36	\$ 450,189,038.36	\$ 450,574,500.00	\$ 493,156.50
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 600,000,000.00	\$ 600,000,000.00	\$ 599,891,264.27	\$ 359,638.90
CDs and YCDs	\$ 11,600,035,984.54	\$ 11,600,003,540.10	\$ 11,596,598,687.25	\$ 6,647,722.21
Commercial Paper	\$ 5,347,393,111.11	\$ 5,348,545,722.19	\$ 5,347,673,166.68	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,170,540,000.00	\$ 5,170,540,000.00	\$ 5,170,540,000.00	NA
AB 55 & GF Loans	\$ 6,634,903,755.13	\$ 6,634,903,755.13	\$ 6,634,903,755.13	NA
TOTAL	\$ 62,489,999,292.74	\$ 62,494,498,564.53	\$ 62,518,479,478.36	\$ 34,203,194.96

Fair Value Including Accrued Interest \$ 62,552,682,673.32

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.000383728). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,007,674.57 or \$20,000,000.00 x 1.000383728.



Orange County Fire Authority
Preliminary Investment Report
April 24, 2015



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
April 24, 2015

Orange County Fire Authority
 1 Fire Authority Road
 Irvine, Irvine, CA 92602
 (714)573-6301

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	13,119,195.72	13,119,195.72	13,119,195.72	6.03	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	2,570,000.00	2,563,035.30	2,566,944.56	1.18	216	214	0.204	0.206
Federal Agency Coupon Securities	43,888,888.78	43,876,727.67	43,897,723.36	20.18	1,235	419	0.776	0.787
Federal Agency Disc. -Amortizing	108,000,000.00	107,984,160.00	107,982,220.84	49.63	129	79	0.086	0.088
Local Agency Investment Funds	50,000,000.00	50,019,186.40	50,000,000.00	22.98	1	1	0.274	0.278
Investments	217,578,084.50	217,562,305.09	217,566,084.48	100.00%	316	126	0.265	0.269
Cash and Accrued Interest (See Note 4 on page 18)								
Passbook/Checking (not included in yield calculations)	-84,004.22	-84,004.22	-84,004.22		0	0	0.000	0.000
Accrued Interest at Purchase		247.50	247.50					
Subtotal		-83,756.72	-83,756.72					
Total Cash and Investments	217,494,080.28	217,478,548.37	217,482,327.76		316	126	0.265	0.269

Total Earnings	April 24 Month Ending	Fiscal Year To Date
Current Year	31,733.56	351,215.81
Average Daily Balance	166,703,223.25	163,101,380.26
Effective Rate of Return	0.29%	0.26%

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2015. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubik
 Patricia Jakubik, Treasurer

5/1/15

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 217,482,327.76
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (94,166.47)
Total	\$ 217,388,161.29

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
April 24, 2015

(See Note 1 on page 18) (See Note 2 on page 18)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	High Mark 100% US Treasury MMF	(See Note 4 on page 18)		13,119,195.72	13,119,195.72	13,119,195.72	0.001	0.001	1	
Subtotal and Average			10,723,468.11		13,119,195.72	13,119,195.72	13,119,195.72		0.001	1	
Commercial Paper Disc. -Amortizing											
36959JYR8	860	GEN ELEC CAP CRP		04/23/2015	2,570,000.00	2,563,035.30	2,566,944.56	0.200	0.206	214	11/25/2015
Subtotal and Average			213,911.45		2,570,000.00	2,563,035.30	2,566,944.56		0.206	214	
Federal Agency Coupon Securities											
3133ECM76	809	Federal Farm Credit Bank (Callable anytime)		04/25/2013	9,000,000.00	9,000,090.00	8,997,911.70	0.400	0.424	363	04/22/2016
3133EEA75	861	Federal Farm Credit Bank (Callable 7-22-15)		04/23/2015	9,000,000.00	8,984,070.00	8,998,240.45	0.990	1.031	88	01/22/2018
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	6,000,300.00	6,000,000.00	1.000	0.981	837	08/09/2017
3133813R4	800	Fed Home Loan Bank (Callable 5-9-14)		12/20/2012	9,000,000.00	8,992,170.00	9,007,482.43	1.000	0.966	929	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable anytime)		03/15/2013	888,888.78	888,897.67	888,837.04	0.470	0.477	317	03/07/2016
3130A3RM8	850	Fed Home Loan Bank (Callable 6-30-15)		12/30/2014	10,000,000.00	10,011,200.00	10,005,251.74	0.770	0.645	66	12/30/2016
Subtotal and Average			35,649,460.23		43,888,888.78	43,876,727.67	43,897,723.36		0.787	419	
Federal Agency Disc. -Amortizing											
313312FH8	846	Farm Credit Disc Note		12/18/2014	9,000,000.00	8,999,910.00	8,999,545.00	0.140	0.144	13	05/08/2015
313396FX6	848	Freddie Mac		12/18/2014	9,000,000.00	8,999,730.00	8,999,122.50	0.130	0.134	27	05/22/2015
313396GM9	849	Freddie Mac		12/18/2014	9,000,000.00	8,999,460.00	8,998,616.25	0.135	0.139	41	06/05/2015
313396MC4	859	Freddie Mac		04/23/2015	9,000,000.00	8,996,850.00	8,996,960.00	0.080	0.082	152	09/24/2015
313384HN2	851	Fed Home Loan Bank		02/03/2015	9,000,000.00	8,999,190.00	8,998,680.00	0.080	0.082	66	06/30/2015
313384HB8	852	Fed Home Loan Bank		03/09/2015	9,000,000.00	8,999,280.00	8,999,312.50	0.050	0.051	55	06/19/2015
313384HN2	853	Fed Home Loan Bank		03/12/2015	10,000,000.00	9,999,100.00	9,998,900.00	0.060	0.062	66	06/30/2015
313384HN2	854	Fed Home Loan Bank		03/18/2015	8,000,000.00	7,999,280.00	7,998,753.34	0.085	0.087	66	06/30/2015
313384JF7	855	Fed Home Loan Bank		04/23/2015	9,000,000.00	8,998,830.00	8,998,755.00	0.060	0.062	83	07/17/2015
313384KK4	856	Fed Home Loan Bank		04/23/2015	9,000,000.00	8,997,840.00	8,998,196.25	0.065	0.067	111	08/14/2015
313384KZ1	857	Fed Home Loan Bank		04/23/2015	9,000,000.00	8,997,570.00	8,997,812.50	0.070	0.072	125	08/28/2015
313588LP8	858	Fed Home Loan Bank		04/23/2015	9,000,000.00	8,997,120.00	8,997,567.50	0.070	0.072	139	09/11/2015
Subtotal and Average			70,115,047.21		108,000,000.00	107,984,160.00	107,982,220.84		0.088	79	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,019,186.40	50,000,000.00	0.278	0.278	1	
Subtotal and Average			50,001,336.25		50,000,000.00	50,019,186.40	50,000,000.00		0.278	1	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
April 24, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
		Total and Average	166,703,223.25		217,578,084.50	217,562,305.09	217,566,084.48		0.269	126

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
April 24, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10104	10104	ABPA (Acct Closed)		07/01/2014	0.00	0.00	0.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2014	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2014	-104,004.22	-104,004.22	-104,004.22	(See Note 4 on page 18)	0.000	1
SYS361	361	CORVEL (Acct Closed)		07/01/2014	0.00	0.00	0.00		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		247.50	247.50			0
				Subtotal		-83,756.72	-83,756.72			
Total Cash and Investments			166,703,223.25		217,494,080.28	217,478,548.37	217,482,327.76		0.269	126



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of April 25, 2015

Orange County Fire Authority
 1 Fire Authority Road
 Irvine, Irvine, CA 92602
 (714)573-6301

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(04/25/2015 - 04/25/2015)	6 Maturities	0 Payments	63,035,191.50	28.98%	63,035,191.50	63,054,377.90
Aging Interval:	1 - 30 days	(04/26/2015 - 05/25/2015)	2 Maturities	0 Payments	18,000,000.00	8.28%	17,998,667.50	17,999,640.00
Aging Interval:	31 - 60 days	(05/26/2015 - 06/24/2015)	2 Maturities	0 Payments	18,000,000.00	8.28%	17,997,928.75	17,998,740.00
Aging Interval:	61 - 91 days	(06/25/2015 - 07/25/2015)	4 Maturities	0 Payments	36,000,000.00	16.55%	35,995,088.34	35,996,400.00
Aging Interval:	92 - 121 days	(07/26/2015 - 08/24/2015)	1 Maturities	0 Payments	9,000,000.00	4.14%	8,998,196.25	8,997,840.00
Aging Interval:	122 - 152 days	(08/25/2015 - 09/24/2015)	3 Maturities	0 Payments	27,000,000.00	12.41%	26,992,340.00	26,991,540.00
Aging Interval:	153 - 183 days	(09/25/2015 - 10/25/2015)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(10/26/2015 - 01/24/2016)	1 Maturities	0 Payments	2,570,000.00	1.18%	2,566,944.56	2,563,035.30
Aging Interval:	275 - 365 days	(01/25/2016 - 04/24/2016)	2 Maturities	0 Payments	9,888,888.78	4.55%	9,886,748.74	9,888,987.67
Aging Interval:	366 - 1095 days	(04/25/2016 - 04/24/2018)	4 Maturities	0 Payments	34,000,000.00	15.64%	34,010,974.62	33,987,740.00
Aging Interval:	1096 days and after	(04/25/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			25 Investments	0 Payments		100.00	217,482,080.26	217,478,300.87



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2014 includes an increase of \$14,938 to the LAIF investment and a decrease of \$(109,104) to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

GLOSSARY

INVESTMENT TERMS

Basis Point. Measure used in quoting yields on bonds and notes. One basis point is .01% of yield.

Book Value. This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security's current value in the market.

Commercial Paper. Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days; may be sold on a discount basis or may bear interest.

Coupon Rate. Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

Discount. The amount by which a bond sells under its par (face) value.

Discount Securities. Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

Effective Rate of Return. Rate of return on a security, based on its purchase price, coupon rate, maturity date, and the period between interest payments.

Federal Agency Securities. Securities issued by agencies such as the Federal National Mortgage Association and the Federal Farm Credit Bank. Though not general obligations of the US Treasury, such securities are sponsored by the government and therefore have high credit ratings. Some are issued on a discount basis and some are issued with coupons.

Federal Funds. Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are considered to be immediately available funds.

Fed Funds Rate. The interest rate charged by one institution lending federal funds to another.

Federal Open Market Committee. The branch of the Federal Reserve Board that determines the direction of monetary policy.

Local Agency Investment Fund (LAIF). A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$50 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot to exceed 1/4 of a percent of the earnings.

Market value. The price at which the security is trading and could presumably be purchased or sold.

Maturity Date. The specified day on which the issuer of a debt security is obligated to repay the principal amount or face value of security.

Money Market Mutual Fund. Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repurchase agreements and federal funds).

Par. Face value or principal value of a bond typically \$1,000 per bond.

Rate of Return. The amount of income received from an investment, expressed as a percentage. A *market rate of return* is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

Treasury Bills. Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes. Intermediate U.S. government debt securities with maturities of one to 10 years.

Treasury bonds. Long-term U.S. government debt securities with maturities of 10 years or longer.

Yield. Rate of return on a bond.

Yield-to-maturity. Rate of return on a bond taking into account the total annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

ECONOMIC TERMS

Conference Board Consumer Confidence Index A survey that measures how optimistic or pessimistic consumers are with respect to the economy in the near future.

Consumer Price Index (CPI). A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

Durable Goods Orders. An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

Gross Domestic Product. The monetary value of all the finished goods and services produced within a country's borders in a specific time period. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

Industrial Production. An economic indicator that is released monthly by the Federal Reserve Board. The indicator measures the amount of output from the manufacturing, mining, electric and gas industries.

ISM Institute for Supply Management (ISM) Manufacturing Index. A monthly index that monitors employment, production inventories, new orders and supplier deliveries.

ISM Non-manufacturing Index. An index based on surveys of non-manufacturing firms' purchasing and supply executives. It tracks economic data for the service sector.

Leading Economic Index. A monthly index used to predict the direction of the economy's movements in the months to come. The index is made up of 10 economic components, whose changes tend to precede changes in the overall economy.

National Federation of Independent Business Small Business Optimism Index. An index based on surveys of small business owners' plans and expectations regarding employment, capital, inventories, economic improvement, credit conditions, expansion, and earnings trends in the near term or future.

Producer Price Index. An index that measures the average change over time in the selling prices received by domestic producers for their output.

University of Michigan Consumer Sentiment Index. An index that measures the overall health of the economy as determined by consumer opinion. It takes into account an individual's feelings toward his or her own current financial health, the health of the economy in the short term and the prospects for longer term economic growth.



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3B
Consent Calendar

Third Quarter Financial Newsletter

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Tricia Jakubiak, Treasurer	triciajakubiak@ocfa.org	714.573.6301
Deborah Gunderson, Budget Manager	deborahgunderson@ocfa.org	714.573.6302

Summary

This routine agenda item is submitted to provide information regarding revenues and expenditures in the General Fund and the Capital Improvement Program Funds through the third quarter of FY 2014/15.

Prior Board/Committee Action – Committee Recommendation: APPROVE

At its special May 14, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

The Quarterly Financial Newsletter provides information about the General Fund's top five revenue sources as well as expenditures by department and type. Revenues and expenditures for the Capital Improvement Program (CIP) Funds are also included. Revenues and expenditures for the General Fund and the CIP Funds are within budgetary expectations for this reporting period. Any notable items are detailed in the attached newsletter.

Attachment(s)

Third Quarter Financial Newsletter – July 2014 to March 2015



Orange County Fire Authority

Third Quarter Financial Newsletter – July 2014 to March 2015

OVERVIEW

This report covers fiscal activities in the General Fund and CIP Funds through the third quarter of Fiscal Year 2014/15. Budget figures include all budget adjustments authorized by the Board through the end of the third quarter, including the Mid-Year Adjustments.

GENERAL FUND

With 75% of the year completed, General Fund revenues are 67.8% of budget and expenditures are 71.9% as shown below:

General Fund	YTD Actual	Budget	Percent
Revenues	221,474,092	326,719,309	67.8%
Expenditures	241,747,203	336,450,049	71.9%

Top Five Revenues. The analysis presented below compares the five largest revenue categories received through the third quarter, as compared to expectations for those revenues at this point in the fiscal year. The goal of this analysis is to reflect the difference in actual revenue received as compared to budget, after accounting for seasonal trends or other factors which affect the timing of revenue receipts. Categories in which the variance is exceeded by 10% or \$1 million are discussed below the table.

Top Five Revenues	YTD Actual Receipts	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Property Taxes	126,930,099	124,574,655	2,355,444	2%
Cash Contracts	71,209,098	70,959,940	249,158	0%
State Reimbursements	7,585,172	7,500,000	85,172	1%
CRA Pass-through	5,736,834	5,742,605	(5,771)	0%
Community Risk Reduction Fees	4,578,103	4,384,703	193,400	4%
Total	216,039,306	213,161,903	2,877,403	1%

- **Property tax.** Property tax revenues exceed the Budget Estimate, which includes Mid-Year adjustments, by approximately \$2.4 million or 2%. The variance could be due to a number of reasons, including the unpredictable nature of Supplemental property tax receipts, and the actual roll change/refund factor varying from our 1% estimate. Our Budget Estimate is based on two years of historical data on the pattern of receipts throughout the year.

Expenditures. The analysis presented below compares the actual expenditures through the third quarter, as compared to expectations for expenditures at this point in the fiscal year. The goal of this analysis is to reflect the difference in expenditures as compared to budget, after accounting for seasonal trends or other factors which affect the timing of expenditures. Categories in which the variance is exceeded by 10% or \$1 million are discussed below the table.

Expenditures by Department	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Business Services	31,598,746	31,874,253	(275,507)	-1%
Community Risk Reduction	10,209,683	10,642,800	(433,117)	-4%
Executive Management	8,418,909	9,076,597	(657,688)	-8%
Operations	175,474,909	174,936,989	537,920	0%
Organizational Planning	934,416	1,151,470	(217,054)	-23%
Support Services	15,110,540	15,409,808	(299,268)	-2%
Total	241,747,203	243,091,916	(1,344,713)	-1%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Organizational Planning** This new Department is trending below budget estimates by approximately \$200,000 or 23%. As a newly established department resulting from a re-organization in the OCFA, the Department priorities and responsibilities were still in development as of the end of the third quarter. It is expected that the expenditure rate will increase in the fourth quarter, although the department may still close the year under budget estimates.

Expenditures by type are outlined below.

Expenditures by Type	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Salary & Employee Benefits	224,887,914	224,474,852	413,062	0%
Services and Supplies	16,569,992	18,142,879	(1,572,887)	-9%
Equipment	289,297	474,186	(184,889)	-64%
Tran Interest Expense	-	-	-	N/A
Total	241,747,203	243,091,916	(1,344,713)	-1%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Services and Supplies (S&S) and Equipment** These categories are below budget estimates by 9% and 64% respectively. Typically, expenditure activity ramps up as the year progresses; the above estimate assumes that ramp-up pattern will continue. As of the end of the third quarter, the variance suggests that expenditures may remain under budget by the end of the current FY.

CIP FUNDS

The following summarizes revenues and expenditures for the Capital Improvement Program funds. Any variances are noted as follows:

General Fund CIP

Fund 12110	YTD Actual	Budget	Percent
Expenditures	231,942	-	N/A

- On February 26, 2015, the Board approved the Capital Projects Fund Policy. This policy was designed to conform our Capital Project Funds to GASB Statement 54, and created specific descriptions of a Capital Project that could be accounted for within our Capital Project Funds. As part of the Board’s approval, Fund 122 was closed and those projects were moved to the General Fund. Subsequent to the Board’s action, staff further examined the entirety of Projects included in all the Capital Project Funds and identified several additional projects that no longer met the criteria to remain within our Capital Project Funds.

To maintain our conformance with the new Capital Projects Fund Policy, staff reclassified the actual expenditures to-date for those projects into a new sub-fund of the General Fund. This sub-fund (12110) will now account for special projects that are considered more capital in nature, however do not meet the specific criteria to remain in a Capital Project Fund per our Policy. Staff will be seeking Board approval to move the Budgets for these projects to this sub-fund in May. As a sub-fund of the General Fund, there are no direct revenues attributed to this sub-fund.

- Actual expenditures include PC, laptop, and printer replacements.

Santa Ana Station Improvements - CDBG

Fund 12270	YTD Actual	Budget	Percent
Revenue	306,625	872,780	35.1%
Expenditures	827,827	861,300	96.1%

- This sub-fund (12270) accounts for the Community Development Block Grant (CDBG) funding and expenditures for Santa Ana Fire Station improvements.
- The revenue and expenditure budgets for the CDBG are for kitchen and bath improvements to FS 72, 74, 75, and 76. A contract was awarded and the project was completed in February 2015. As a reimbursement grant, the revenues are received after payments have been made to the contractor and billed to the Grantor. The final request for reimbursement is expected to be submitted in May 2015.

Fire Stations and Facilities

Fund 123	YTD Actual	Budget	Percent
Revenue	4,719,020	7,321,170	64.5%
Expenditures	126,025	5,749,437	2.2%

- Revenues include developer reimbursements for the design and construction of Station 56 (Ortega Valley); this project is currently 80% finished and estimated to be completed in July 2015.
- Appropriations include \$5.5 million for the US&R Warehouse purchase, which was approved by the Board in April. A budget adjustment to increase the expenditure budget is in progress and is not included in these figures. This purchase is expected to be completed by the close of the fiscal year.

Communications & Info. Systems Replacement

Fund 124	YTD Actual	Budget	Percent
Revenue	288,789	298,868	96.6%
Expenditures	394,600	9,465,097	4.2%

- Appropriations include \$5.5 million for the remaining components of the Public Safety System Project, which will not be utilized this FY and is included in the proposed FY 2015/16 budget. Actual expenditures include \$194,000 toward replacement of the CAD system and \$55,000 for migration and upgrade of all modems to high-capacity VPN connections.

Fire Apparatus

Fund 133	YTD Actual	Budget	Percent
Revenue	1,334,412	2,254,121	59.2%
Expenditures	9,740,290	12,961,164	75.1%

- Actual revenue includes the quarterly Cash Contract payments for vehicle depreciation. The revenue budget also includes developer funds for the outfitting costs for the Type 1 Engine for Station 56. Revenues are expected to meet budget by the end of the Fiscal Year.
- The expenditure budget includes \$5.8 million for the purchase of emergency and support vehicles, including four 100' Quints. The bid process was completed for these vehicles and approved by the Executive Committee in January 2015 with delivery and outfitting anticipated to be completed by March 2016. Actual expenditures include Master Lease agreement payments on the Helicopters and several other vehicle projects, including the \$2.6 million purchase of four Type 1 Engines. These engines are anticipated to be in service by July 2015.

SUMMARY

For more information. This summary is based on detailed information from our financial system. If you would like more information or have any questions about the report, please contact Deborah Gunderson, Budget Manager at 714-573-6302, or Tricia Jakubiak, Treasurer at 714-573-6301.



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3C
Consent Calendar

Quarterly Report of Claims

Contact(s) for Further Information

Jeremy Hammond, Director Human Resources Department	jeremyhammond@ocfa.org	714.573.6018
Jonathan Wilby, Risk Manager	jonathanwilby@ocfa.org	714.573.6832

Summary

This routine agenda item is submitted to report on claims filed with the Orange County Fire Authority (OCFA) from January 1, 2015, through March 31, 2015.

Committee Action

No prior committee action.

Recommended Action(s)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

All liability claims filed against the OCFA are the financial responsibility of the Fire Agencies Insurance Risk Authority, which provides OCFA pooled general liability insurance coverage. The OCFA settles minor property claims when OCFA is responsible for the loss. There were eight claims submitted during the reporting period of which five have been closed and three remain open. The attached OCFA New Claims Report provides detailed information for each claim that has been filed.

Attachment(s)

Third Quarter Claims Report

OCFA NEW CLAIMS REPORT
January 1, 2015, through March 31, 2015

Date Claim Received	Loss Date	Claim Type	Claim Description	Status	Damages Paid
01/09/15	07/15/14	Property	Firefighters forced entry breaking a kitchen window to gain entry to the home because the homeowner was not answering the door following a call from a neighbor who found the homeowner sleeping on the porch with a laceration on his head.	CLOSED A general release was sent to the homeowner and the OCFA is awaiting a response. Damages are \$290.00.	\$0
01/21/15	12/30/14	Property	Fire Apparatus Engineer struck the driver's side of a semi-truck stopped in the left turn lane while driving Code 3.	CLOSED	\$433.63
02/20/15	12/31/15	Property	OCFA firefighter backed into a parked vehicle.	CLOSED	\$1,376.87
02/20/15	02/07/15	Property	While driving down a narrow road with a trailer full of tree branches, the OCFA firefighter came too close to another vehicle and the branches that were hanging over the trailer scratched the vehicle.	CLOSED	\$108.00
02/26/15	09/30/14	Property	The back door of a coffee shop was broken by firefighters to gain entry. However, the fire alarm was sounding in the business next door.	CLOSED	\$257.64
03/02/15	02/23/15	Property	OCFA firefighter struck a parked vehicle while opening the fire engine door.	CLOSED	\$702.60
03/11/15	01/11/15	Property	OCFA paramedic hit a parked vehicle while backing the medic van into a loading area at the hospital.	OPEN A Notice of Insufficiency was sent to the insurance company because Government Code §915 was not followed.	\$0

Date Claim Received	Loss Date	Claim Type	Claim Description	Status	Damages Paid
03/17/15	03/08/14	Wrongful Termination	Probationary firefighter, through his attorney, allege wrongful termination due to a racially motivated hostile work environment, harassment and disparate treatment motivated by race, violation of the Firefighter Bill of Rights, and violation of Government Code §3250.	OPEN Claim has been denied by operation of law and legal counsel will prepare a response once the Summons and Complaint is received.	\$0



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3D
Consent Calendar

**Sole Source Blanket Order
International Truck Parts Service and Repair**

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	mikeschroeder@ocfa.org	714.573.6008
Rick Oborny, Fleet Manager	rickoborny@ocfa.org	714.573.6651

Summary

This agenda item seeks approval to issue a sole source blanket order to Westrux International to obtain truck parts, service, and repair.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

1. Approve and authorize the Purchasing Manager to establish a sole source blanket order contract with Westrux International with an annual contract amount not to exceed \$35,000.
2. Authorize the Purchasing Manager to extend the contract for up to two additional years at a not to exceed amount of \$35,000 annually.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in FY 2014/15 Fleet Services Fund-121 General Fund

Background

The OCFA fleet is comprised of 500 vehicles and apparatus; twenty-five of which are manufactured on an International chassis. The vehicle types and mileage range from a 1985 stake side truck with 70,000 miles to a number of 2008 Type III Brush Engines with varying mileage. None of the twenty-five vehicles and apparatus are currently under warranty. Westrux International in Santa Fe Springs is the only authorized International provider offering a complete line of parts and services within a 50 mile radius of our facility.

This contract will give the fleet services section the ability to maintain and service the apparatus with an authorized dealer and a method to procure the needed parts to conduct maintenance and repair on these specific vehicles and apparatus.

Attachment(s)

None



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3E
Consent Calendar

**Sole Source Blanket Order Contracts Extensions and Renewals
Information Technology**

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	mikeschroeder@ocfa.org	714.573.6008
Joel Brodowski, IT Manager	joelbrodowski@ocfa.org	714.573.6421

Summary

This agenda item seeks approval to extend and renew sole source blanket orders to NI Government Services, Inc., SAP Public Services, Inc., and 6th Street Consulting for software licensing, maintenance, and provide professional services.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Approve and authorize the Purchasing Manager to extend and renew sole source blanket order contracts with NI Government Services, Inc., SAP Public Services, Inc., and 6th Street Consulting for up to three years.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the FY 2014/15 General Fund budget.

Background

For each of the blanket orders included in this report, services can only be provided by the listed company, and are in compliance with sole source requirements of the OCFA Purchasing Ordinance. Contract dates and values and other information regarding the purpose of each contract are listed below.

NI Government Services, Inc.

OCFA maintains Satellite phones in key locations including the command trailers, Public Information Officer's vehicle, as a backup in the Emergency Communications Center, and on USAR Team vehicles to ensure operational readiness during times of emergency and when managing incidents outside of cellular service areas. NI Government Solutions, Inc. has established OCFA and USAR specific talk groups that are used to communicate within the OCFA network and USAR specific work groups, and like cell phones, satellite phones are designed to work on specific networks and cannot be moved between service providers. Switching vendors will require purchasing new satellite phones, which are expensive; therefore,

staff is recommending continuing the contract with NI Government Services, Inc., for an amount not to exceed \$15,000 annually. Due to the aggregate three-year cost exceeding \$25,000, this request requires Executive Committee approval to renew.

SAP Public Services, Inc.

SAP Crystal Reports is the business intelligence reporting software used by OCFA staff to analyze and create custom reports from the fire prevention systems data. This request for \$10,767.92 is to renew existing licensing. Due to the aggregate three-year cost exceeding \$25,000, this request requires Executive Committee approval to renew.

6th Street Consulting

The OCFA Executive Committee approved a contract on January 23, 2014, with 6th Street Consulting to perform a major Microsoft software upgrade, redesign, and data migration of “*InsideOCFA*,” OCFA’s computer data intranet site. Most of the work has been completed; however, due to staffing vacancies and other project priorities the go-live date was delayed. Staff is requesting a 6-month extension with no increase in cost until December 31, 2015. There are milestone payments remaining that will be due when the site goes live, which we estimate will occur in late summer 2015. The current blanket order expires June 30, 2015; the extension will provide sufficient time for go-live even if there are further unexpected delays, such as providing support during fire season.

[Attachment\(s\)](#)

Proposed Blanket Order Contracts

Orange County Fire Authority
Sole Source Blanket Order Contracts – Information Technology
Proposed Renewals and Adjustments

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Total
NI Government Services, Inc. <i>Satellite phone system service contracts for current satellite phones used in command trailers, PIO vehicle, ECC, USAR teams.</i> B01294	<u>05/31/2015</u> <u>05/31/2016</u> <u>05/31/2017</u> <u>05/31/2018</u>	\$ 10,000	\$ 15,000
SAP Public Services, Inc. <i>Crystal Reports software licenses and maintenance for current licenses used for analysis and reporting on fire prevention systems data.</i> B01292	<u>06/13/2015</u> <u>06/13/2016</u> <u>06/13/2017</u> <u>06/13/2018</u>	\$ 10,767	\$10,767
6 th Street Consulting <i>Extend contract to complete the software upgrade, redesign, data migration for InsideOCFA, the OCFA's Sharepoint-based Intranet.</i> E00262	<u>06/30/2015</u> <u>12/31/2015</u>	\$413,119	\$413,119



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3F
Consent Calendar

**Sole Source Purchase Order
Motorola 800MHz Portable and Mobile Radios**

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	mikeschroeder@ocfa.org	714.573.6008
Joel Brodowski, IT Manager	joelbrodowski@ocfa.org	714.573.6421

Summary

This agenda item seeks approval to issue a purchase order to Motorola Solutions in the amount of \$139,997.27 to purchase 24 Motorola 800MHz portable and mobile radios with associated chargers, cables, control heads, and software.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Approve and authorize the Purchasing Manager to issue a sole source purchase order to Motorola Solutions in the amount of \$139,997.27 (including tax and shipping) for the purchase of 24 Motorola 800MHz portable and mobile radios with associated chargers, cables, control heads, and software.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 Capital Improvement Project Fund 124 budget.

Background

The OCFA utilizes Motorola portable and mobile radios for OCFA personnel and in emergency apparatus to communicate with the Emergency Command Center and other emergency personnel on the 800MHz Countywide Coordinated Communications System (CCCS). This request to purchase 24 portable and mobile radios, associated chargers, cables, control heads, and software for a total price of \$139,997.27, will be purchased using the County's Motorola contract prices. These radios represent several different variations of the new Motorola radio models that are compatible with the Next Generation 800MHz CCCS, which will go live in 2018, and will be deployed to OCFA personnel and in emergency apparatus for evaluation. The radios are fully P25 compliant and configured to work on the existing 800MHz CCCS and the Next Generation 800MHz CCCS that is scheduled to go live in 2018.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3G
Consent Calendar

Award of Bid RO2013 – Oracle Software Licensing and Support

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	mikeschroeder@ocfa.org	714.573.6008
Joel Brodowski, IT Manager	joelbrodowski@ocfa.org	714.573.6421

Summary

This agenda item is submitted for award of a three-year blanket order contract for the purchase of Oracle Software Licensing and Support from Xerox Government Systems, Inc., the lowest responsive responsible bidder.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Approve and authorize the Purchasing Manager to establish a blanket order contract with Xerox Government Systems, Inc. for the purchase of Oracle Software Licensing and Support for a three-year term in the three-year aggregate amount of \$146,650.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the FY 2014/15 General Fund.

Background

The OCFA utilizes Oracle Software Licensing and Support for the Banner HRMS/Payroll (Human Resources Management) System. The Banner HRMS/Payroll system was installed over 15 years ago and the Oracle software needs to be upgraded regularly as new system functions are added. The current Banner HRMS/Payroll system upgrade requires a major Oracle software upgrade for it to function as needed. This requires OCFA to purchase additional Oracle licenses and software features not previously used and adding them to the annual maintenance costs.

On March 25, 2015, an Invitation for Bid (IFB) was issued and 234 vendors were notified. On April 2, 2015, five bids were received. Based on the results of the IFB, staff is recommending approval of this contract award to Xerox Government Solutions, Inc., the lowest responsive and responsible bidder in the amount of \$146,650 for a three-year term.

Attachment(s)

Bid Results

**Orange County Fire Authority
RO2013 - Oracle Software Licensing and Support
Bid Results**

Oracle Software Licensing and support			Xerox Gov't Systems		Mythics Inc.		Allied Network Solutions		DLT Solutions		Thomas Gallaway Corporation	
Description	Man	Qty	Unit Price	Line Total	Unit Price	Line Total	Unit Price	Line Total	Unit Price	Line Total	Unit Price	Line Total
Oracle Database Enterprise - Named User Plus; Perpetual (includes 1 year maintenance and support)	Oracle	200	\$407.97	\$81,594.00	\$555.16	\$111,032.00	\$559.98	\$111,996.00	\$591.58	\$118,316.00	\$784.74	\$156,948.00
Oracle Internet Application Server Enterprise Edition (IAS EE) - Named User Plus; Perpetual (includes 1 year maintenance and support)	Oracle	80	\$300.61	\$24,048.80	\$409.07	\$32,725.60	\$414.00	\$33,120.00	\$435.89	\$34,871.20	\$578.23	\$46,258.40
Oracle Database Enterprise Year 2 Support and Maintenance	Oracle	200	\$77.25	\$15,450.00	\$103.11	\$20,622.00	\$105.99	\$21,198.00	\$112.01	\$22,402.00	\$144.21	\$28,842.00
Oracle Internet Application Server Enterprise Year 2 Support and Maintenance	Oracle	80	\$56.92	\$4,553.60	\$75.98	\$6,078.40	\$79.99	\$6,399.20	\$82.53	\$6,602.40	\$106.26	\$8,500.80
Oracle Database Enterprise Year 3 Support and Maintenance	Oracle	200	\$81.11	\$16,222.00	\$106.20	\$21,240.00	\$105.99	\$21,198.00	\$117.61	\$23,522.00	\$150.22	\$30,044.00
Oracle Internet Application Server Enterprise Year 3 Support and Maintenance	Oracle	80	\$59.77	\$4,781.60	\$78.26	\$6,260.80	\$79.99	\$6,399.20	\$86.66	\$6,932.80	\$110.70	\$8,856.00
Total 3 - year contract cost				\$146,650.00		\$197,958.80		\$200,310.40		\$212,646.40		\$279,449.20



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 3H
Consent Calendar

Award of Bid JA2026 – Deka Automotive Batteries

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6008
Rick Oborny, Fleet Services Manager	rickoborny@ocfa.org	714.573.6651

Summary

This agenda item is submitted for the award of a blanket order contract for the purchase of Deka automotive batteries to East Penn Manufacturing, Inc.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

1. Approve and authorize the Purchasing Manager to establish a blanket order contract with East Penn Manufacturing, Inc., with an annual contract amount not to exceed \$70,000.
2. Authorize the Purchasing Manager to extend the contract for up to two years at \$70,000 per year.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in FY 2014/15 Fleet Services Fund-121 General Fund

Background

Fleet Services is responsible for the maintenance and repair of 500 vehicles and apparatus, comprised of 60 different vehicle types within OCFA's fleet. Many of these vehicles accumulate up to 7,000 miles per quarter and require a significant amount of preventative maintenance in order to ensure vehicle efficiency and operation. Due to the mileage demand of these vehicles, there is an increased demand on the vehicles battery and electrical system. Many units are equipped with equipment such as, the Code III lighting, sirens, onboard radios, rechargeable flashlights, and other tools that operate and charge off of these systems. Although all vehicle and apparatus batteries are load tested during scheduled preventative maintenance, in most applications the average service life of each battery is approximately three years.

Additionally, as a result of a large vehicle fleet, with many different applications and variations, space within the vehicle for batteries is limited. Due to space limitations, battery placement, cable runs, and fasteners, OCFA Fleet Services specifies Deka brand batteries as its standard to ensure easy replacement that does not require any modifications to the vehicle.

For the past five years East Penn Manufacturing, Inc. has been providing fleet services with Deka automotive batteries through blanket order contract B01276, which was established as a result of competitive bid MP1711 in April 2010. The blanket order contract has previously been renewed annually and currently has reached the end of its contract term.

On April 9, 2015, an Invitation for Bid (IFB) JA2026 was issued and 172 vendors were notified. On April 30, 2015, bids were received from eight vendors. East Penn Manufacturing, Inc. offered the lowest responsive responsible bid; therefore, staff is recommending award of this bid and issuance of a blanket order contract to East Penn Manufacturing, Inc., for an annual contract amount not to exceed \$70,000. The amount of \$70,000 includes the estimated trade-in amount OCFA will be credited for exchanging batteries on a one-for-one basis. Batteries will be purchased on an as needed basis; there is no obligation to purchase a minimum number of batteries per year.

Attachment(s)

Bid Results

**Orange County Fire Authority
JA2026 – Deka Automotive Batteries
Bid Results**

Table 1: Unit Prices submitted for the 4 most commonly ordered Deka Automotive Batteries

Deka Battery	East Penn Mfg.	Battery Worx, Inc.	Performance Plus Dist. of CA	AAPCO Companies	Advanced Battery Systems	Battery Power, Inc.	O'Reilly Auto Parts	Fast Undercar
Part #	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price
9A31	\$155.85 (\$15.98)	\$157.19 (\$12.00)	\$174.55 (\$15.00)	\$173.36 (\$5.00)	\$177.39 (\$0.00)	\$177.30 (\$21.00)	\$196.88 (\$22.00)	\$220.00 (\$22.50)
9A65	\$111.07 (\$10.65)	\$116.35 (\$10.00)	\$124.40 (\$10.00)	\$143.14 (\$5.00)	\$126.42 (\$0.00)	\$129.08 (\$14.00)	\$138.34 (\$18.00)	\$180.00 (\$15.00)
9A78DT	\$110.14 (\$10.65)	\$115.50 (\$10.00)	\$123.36 (\$10.00)	\$126.31 (\$5.00)	\$125.36 (\$0.00)	\$125.99 (\$14.00)	\$130.02 (\$18.00)	\$160.00 (\$15.00)
9A78	\$109.96 (\$10.65)	\$115.35 (\$10.00)	\$123.16 (\$10.00)	\$121.21 (\$5.00)	\$125.15 (\$0.00)	\$125.77 (\$14.00)	\$125.25 (\$18.00)	\$155.00 (\$15.00)

*Price shown in () is the trade-in amount credited back to OCFA when exchanging old battery for new battery.

Table 2: Total Bid Price Submitted

	East Penn Mfg.	Battery Worx, Inc.	Performance Plus Dist. of CA	AAPCO Companies	Advanced Battery Systems	Battery Power, Inc.	O'Reilly Auto Parts	Fast Undercar
* Total Bid Price	\$86,833.86	\$88,975.76	\$97,670.37	\$97,740.83	\$98,404.84	\$99,134.24	\$105,192.93	\$123,867.00
** Estimated Trade-in Credit	(\$9,690.16)	(\$7,360.00)	(\$9,800.00)	(\$3,145.00)	\$0	(\$12,734.00)	(\$12,685.00)	(\$13,645.00)
Estimated Annual Cost	\$77,143.70	\$81,6415.76	\$87,870.37	\$94,595.83	\$98,404.84	\$86,400.24	\$92,507.93	\$110,222.00

*Total Bid Price based on annual quantities averaged from the past five year ordering history.

** Trade-in Credit applied when OCFA exchanges old battery for new battery.



Orange County Fire Authority

Revised
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 4A
Discussion Calendar

Legislative Update AB 1217

Contact(s) for Further Information

Sandy Cooney, Director Communications and Public Affairs	sandycooney@ocfa.org	714.573.6801
Jay Barkman, Legislative Analyst	jaybarkman@ocfa.org	714.573.6048

Summary

As the current dynamics on this legislation are ever changing, this item will be delivered as an oral presentation.

Recommended Action(s)

1. Receive the oral update and provide additional direction to the Communications and Public Affairs Director, if needed.
2. Approve and authorize up to an additional \$5,000 per month for the period of June 1, 2015 – September 1, 2015, to engage Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP, (current OCFA lobbyist) for additional assistance in opposition to AB 1217.

Impact to Cities/County

If the legislation is adopted, more than half of our current member cities will lose their direct representation on the OCFA's Board of Directors.

Fiscal Impact

Funding is included in the FY 2014/15 General Fund.

Background

The current blanket order contract was approved by Executive Committee on February 28, 2013, for a five-year term with the current monthly retainer amount of \$5,500 and annual contract amount not to exceed \$66,000. In keeping with the Board's direction to oppose AB1217, Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP, has requested an increase to the current contract amount of up to \$5,000 per month for the period of June 1, 2015, through September 1, 2015, not to exceed \$20,000, to cover the expenses of the additional workload and to engage additional assistance as required for workload specific to this Assembly Bill. Due to this change order request exceeding 15%, this increase requires Executive Committee approval.

Attachment(s)

1. Original Professional Services Agreement (PSA) with Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP
2. Engagement letter for additional AB 1217 lobbying services
3. Proposed Amendment to PSA Agreement

**ORANGE COUNTY FIRE AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and entered into this 28th day of February, 2013, by and between the Orange County Fire Authority, a public agency, hereinafter referred to as "OCFA", and Nielsen, Merksamer, Parrinello, Gross & Leoni LLP, a Limited Liability Partnership Law Firm, hereinafter referred to as "Firm".

RECITALS

WHEREAS, OCFA requires the services of a firm for State legislative advocacy services, hereinafter referred to as "Project"; and

WHEREAS, Firm has submitted to OCFA a proposal dated November 28, 2012 as a response to our RFP DC1831, a Best and Final Offer dated December 26, 2012 and a letter regarding the Engagement of Services dated February 14, 2013, copies of which are attached hereto as Exhibit "A" and is incorporated herein by this reference; and

WHEREAS, based on its experience and reputation, Firm is qualified to provide the necessary services for the Project and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Firm for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby employ Firm and Firm agrees to provide professional services as follows:

AGREEMENT

1. PROFESSIONAL SERVICES

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, Firm shall provide those services specified in the "Proposal" attached hereto as Exhibit "A." Firm warrants that all services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the industry. In the event of any inconsistency between the terms contained in Exhibit "A" and the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement shall govern.

be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Firm. Delays shall not entitle Firm to any additional compensation regardless of the party responsible for the delay.

3. COMPENSATION OF FIRM

3.1 Compensation of Firm.

For the services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, in accordance with the terms set forth in Exhibit "A," in an amount not to exceed \$5,500 per month (If OCFA Executive Board approves a five year contract, the monthly retainer for February 1, 2013 – December 31, 2014 will be \$5,000 increasing to \$5,500 per month effective January 1, 2015 through December 31, 2017, if the contract is only approved for three-years, the monthly retainer amount will be \$5,500 per month for February 1, 2013 – December 31, 2015).

3.2 Method of Payment.

In any month in which Firm wishes to receive payment, Firm shall no later than the first working day of such month, submit to OCFA in the form approved by OCFA's Director of Finance, an invoice for services rendered prior to the date of the invoice. OCFA shall pay Firm for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Firm's invoice.

3.3 Changes.

In the event any change or changes in the work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Firm's profession.

3.4 Appropriations.

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by

the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

4. PERFORMANCE SCHEDULE

4.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance.

All services rendered pursuant to this Agreement shall be performed within the time periods prescribed in Firm's proposal, attached hereto as Exhibit "A". The extension of any time period specified in Exhibit "A" must be approved in writing by the Contract Officer.

4.3 Force Majeure.

The time for performance of services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Firm, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Firm shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term.

Unless earlier terminated in accordance with Section 8.5 of this Agreement, this Agreement shall continue in full force and effect until satisfactory completion of the services for three years unless extended by mutual written agreement of the parties for the additional two one-year extensions or for five years if approved by the Executive Committee, not exceeding five years from the date hereof.

5. COORDINATION OF WORK

5.1 Representative of Firm.

The following principal of the Firm is hereby designated as being the principal and representative of Firm authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith: James C. Gross.

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal is a substantial inducement for OCFA to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Firm and devoting sufficient time to personally supervise the services hereunder. The foregoing principal may not be changed by Firm without the express written approval of OCFA.

5.2 Contract Officer.

The Contract Officer shall be Jay Barkman, unless otherwise designated in writing by OCFA. It shall be the Firm's responsibility to keep the Contract Officer fully informed of the progress of the performance of the services and Firm shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

5.3 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Firm, its principals and employees, were a substantial inducement for OCFA to enter into this Agreement. Therefore, Firm shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of OCFA. In addition, neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of OCFA.

5.4 Independent Contractor.

Neither OCFA nor any of its employees shall have any control over the manner, mode or means by which Firm, its agents or employees, perform the services required herein, except as otherwise set forth herein. Firm shall perform all services required herein as an independent Firm of OCFA and shall remain at all times as to OCFA a wholly independent contractor with only such obligations as are consistent with that role. Firm shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of OCFA.

6. INSURANCE, INDEMNIFICATION AND BONDS

6.1 Insurance.

Firm shall procure and maintain, at its cost, and submit concurrently with its execution of this Agreement, public liability and property damage insurance against

all claims for injuries against persons or damages to property resulting from Firm's performance under this Agreement. Firm shall also carry workers' compensation insurance in accordance with California worker's compensation laws. Such insurance shall be kept in effect during the term of this Agreement and shall not be cancelable without thirty (30) days written notice to OCFA of any proposed cancellation. OCFA's certificate evidencing the foregoing and designating OCFA as an additional named insured shall be delivered to and approved by OCFA prior to commencement of the services hereunder. The procuring of such insurance and the delivery of policies or certificates evidencing the same shall not be construed as a limitation of Firm's obligation to indemnify OCFA, its Firms, officers and employees. The amount of insurance required hereunder shall include comprehensive general liability, personal injury and automobile liability with limits of at least one million (\$1,000,000) combined single limit coverage per occurrence and professional liability coverage with limits of at least one million (\$1,000,000). Coverage shall be provided by admitted insurers with an A.M. Best's Key Rating of at least A-VII. If Firm provides claims made professional liability insurance, Firm shall also agree in writing either (1) to purchase tail insurance in the amount required by this Agreement to cover claims made within three years of the completion of Firm's services under this Agreement, or (2) to maintain professional liability insurance coverage with the same carrier in the amount required by this Agreement for at least three years after completion of Firm's services under this Agreement. The Firm shall also be required to provide evidence to OCFA of the purchase of the required tail insurance or continuation of the professional liability policy.

6.2 Indemnification.

The Firm shall defend, indemnify and hold harmless OCFA, its officers and employees, from and against any and all actions, suits, proceedings, claims, demands, losses, costs, and expenses, including legal costs and attorneys' fees, for injury to or death of person or persons, for damage to property, including property owned by OCFA, and for errors and omissions committed by Firm, its officers, employees and agents, arising out of or related to Firm's performance under this Agreement, except for such loss as may be caused by OCFA's own negligence or that of its officers or employees.

7. RECORDS AND REPORTS

7.1 Reports.

Firm shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

7.2 Records.

Firm shall keep such books and records as shall be necessary to properly perform the services required by this Agreement and enable the Contract Officer to

evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

7.3 Ownership of Documents.

All drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of this Agreement shall be the property of OCFA and shall be delivered to OCFA upon request of the Contract Officer or upon the termination of this Agreement, and Firm shall have no claim for further employment or additional compensation as a result of the exercise by OCFA of its full rights or ownership of the documents and materials hereunder. Firm may retain copies of such documents for its own use. Firm shall have an unrestricted right to use the concepts embodied therein.

7.4 Release of Documents.

All drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law.

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Firm covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Waiver.

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of OCFA shall be deemed to waiver or render unnecessary OCFA's consent to or approval of any subsequent act of Firm. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.3 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and

the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.4 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

8.5 Termination Prior to Expiration of Term.

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Firm, except that where termination is due to the fault of the Firm and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Firm shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Firm shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter.

Firm may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

8.6 Termination for Default of Firm.

If termination is due to the failure of the Firm to fulfill its obligations under this Agreement, OCFA may take over the work and prosecute the same to completion by contract or otherwise, and the Firm shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated, provided that OCFA shall use reasonable efforts to mitigate damages, and OCFA may withhold any payments to the Firm for the purpose of set-off or partial payment of the amounts owed to OCFA.

8.7 Attorneys' Fees.

If either party commences an action against the other party arising out of or in connection with this Agreement or its subject matter, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party.

9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION

9.1 Non-Liability of OCFA Officers and Employees.

No officer or employee of OCFA shall be personally liable to the Firm, or any successor-in-interest, in the event of any default or breach by OCFA or for any amount which may become due to the Firm or its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Covenant Against Discrimination.

Firm covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry. Firm shall take affirmative action to insure that applicants and employees are treated without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

10. MISCELLANEOUS PROVISIONS

10.1 Confidentiality.

Information obtained by Firm in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Firm for any purpose other than the performance of this Agreement without the written consent of OCFA.

10.2 Notice.

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

Orange County Fire Authority
Attention: Jay Barkman
1 Fire Authority Road
Irvine, CA 92602

WITH COPY TO:
David E. Kendig, General Counsel
Woodruff, Spradlin & Smart
555 Anton Blvd. Suite 1200
Costa Mesa, CA 92626

To Firm:

Nielsen, Merksamer, Parrinello, Gross &
Leoni LLP
Attention: James C. Gross
1415 L Street Suite 1200
Sacramento, CA 95814

10.2 Integrated Agreement.

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

10.3 Amendment.

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

10.4 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

10.5 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

“OCFA”


ORANGE COUNTY FIRE AUTHORITY

Date: 03/08/13

By: Keith Richter

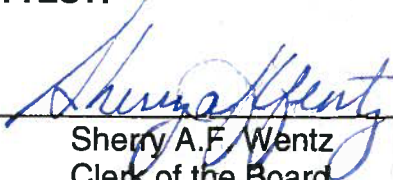
Keith Richter
Fire Chief, OCFA

APPROVED AS TO FORM.

By: 
DAVID E. KENDIG
GENERAL COUNSEL

Date: 2/28/13

ATTEST:


Sherry A.F. Wentz
Clerk of the Board

"FIRM"

**NEILSEN, MERKSAMER, PARRINELLO,
GROSS & LEONI LLP**

Date: 2-20-13

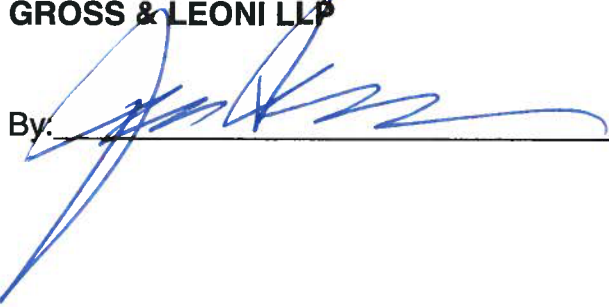
By: 

Exhibit A

1. Proposal to OCFA for State Legislative Consulting Services for RFP Number DC1831, November 28, 2012
2. Best and Final Offer dated December 26, 2012
3. Engagement of Services dated February 14, 2013

**NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP**
ATTORNEYS AT LAW
1415 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752 FAX (916) 446-6106

November 28, 2012

Orange County Fire Authority
Attn: Purchasing Section
1 Fire Authority Road Bldg. C
Irvine, CA 92602

Re: RFP for State Legislative Consulting Services
Due Date: November 28, 2012

To Whom It May Concern:

Nielsen Merksamer Parrinello Gross & Leoni LLP (Nielsen Merksamer) is pleased to present this proposal for **State Legislative Consulting Services** for consideration by the Orange County Fire Authority (OCFA).

Nielsen Merksamer is a bipartisan law firm specializing in government and political law and related litigation. We have grown steadily in our governmental advocacy practice over the last 25 years. We currently represent approximately 80 clients in the legislative and regulatory arenas in Sacramento, including approximately 12 local government entities, and multiple "Fortune 500" companies, health care interests, and various non-profit associations.

Our depth of experience in government law issues is significant. Our firm's members include a former Chief of Staff to a Governor, a former Cabinet Secretary to a Governor, a former Assistant Controller, a former Chief Administrative Officer of the California State Assembly, a former Chief Deputy Legislative Secretary to a Governor, former consultants to several legislative committees, and several Deputy Attorneys General, including a former Special Assistant Attorney General and Chief Assistant Attorney General.

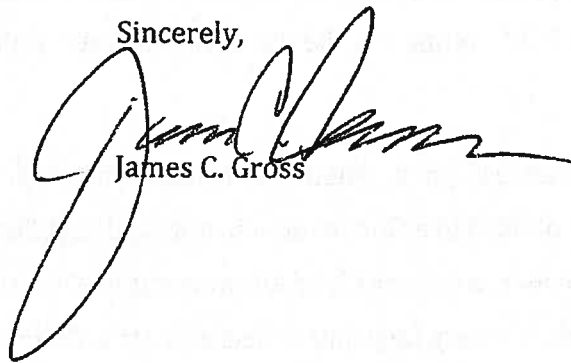
Nielsen Merksamer has successfully represented OCFA in Sacramento for 15 years and the cornerstone of our representation has been the level of communication we maintain with our liaison from OCFA.

Since we began representing OCFA, our relationships in the legislative and executive branches have been strengthened tremendously, and our ability to obtain the most recent and accurate information affecting our clients is unmatched. Our knowledge of the issues facing OCFA is deep and our ability to access policy makers to influence the outcome of policy debates comes both from the many years of experience we have with OCFA's unique issues and our broad base of clients.

We look forward to continuing this successful working relationship and submit this proposal for your consideration. If you have any questions, please do not hesitate to contact me at the following:

James C. Gross, Partner
Nielsen Merksamer Parrinello Gross & Leoni LLP
1415 L Street, Suite 1200
Sacramento, CA 95814
Phone - (916) 446-6752
Email - jgross@nmgovlaw.com

Sincerely,



James C. Gross

APPENDIX A

OFFEROR'S INFORMATION

Please complete and/or provide all requested information. If the proposal is submitted by a corporation, please provide an additional attachment that states the names of the officers who can sign an agreement on behalf of the corporation and whether more than one officer must sign. If the proposal is by a partnership or a joint venture, state the names and addresses of all general partners and joint venture parties. If the respondent is a sole proprietorship or another entity that does business under a fictitious name, the proposal shall be in the real name of the respondent with a designation following showing "DBA (the fictitious name)," provided however, that no fictitious name shall be used unless there is a current registration with the Orange County Recorder.

The undersigned, as respondent, declares that all documents regarding this proposal have been examined and accepted and that, if awarded, will enter into a contract with the Orange County Fire Authority.

Firm's Legal Name: Nielsen Merksamer Parrinello Gross & Leoni LLP	
Firm Parent or Ownership:	
Address: 1415 L Street, Suite 1200 Sacramento, CA 95814	
Firm Telephone No. (916) 446-6752	Firm Fax No. (916) 446-6106
Firm's Tax I.D. Number: 94-2908148	Incorporated: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Legal form of company: (partnership, corporation, joint venture) Limited Liability Partnership	
Length of time your firm has been in business: 35 years	Length of time at current location: Six years
Number of employees, number of lobbyists (full-time and part-time), number of clients 55 employees, Seven full-time lobbyists, 80 clients	

Management person responsible for direct contact with the Orange County Fire Authority and service required for this Request for Proposal (RFP).

Name: Jim Gross	Title: Partner
Telephone No.: (916) 446-6752	E-mail: jgross@nmgovlaw.com

Person responsible for the day-to-day servicing of the account:

Name: Jim Gross	Title: Partner
Telephone No.: (916) 446-6752	E-mail: jgross@nmgovlaw.com

DETAILED FIRM INFORMATION

Firm Name

Nielsen Merksamer Parrinello Gross & Leoni LLP (Nielsen Merksamer)

Number of Years in Business

25 years

Office locations

Sacramento Office - 1415 L Street, Suite 1200, Sacramento, CA 95814

Marin County Office – 2350 Kerner Boulevard, Suite 250, San Rafael, CA 94901

Number of Employees

Nielsen Merksamer has 10 partners and has averaged approximately 45 employees over the past five years

Number of Registered Lobbyists

Nielsen Merksamer has six registered lobbyists.

Current Number of Clients

Nielsen Merksamer currently represents approximately 80 clients in the legislative and regulatory arenas in Sacramento.

PARTNERSHIP STRENGTH AND VALUE-ADDED BENEFITS

As previously stated, Nielsen Merksamer has successfully represented OCFA in Sacramento for 15 years and the cornerstone of our representation has been the level of communication we maintain with our liaison from OCFA.

Since we began representing OCFA, our relationships in the legislative and executive branches have been strengthened, and our ability to obtain the most recent and accurate information affecting our clients is unmatched. Our knowledge of the issues facing OCFA is deep and our ability to access policy makers to influence the outcome of policy debates comes from the many years of experience we have with OCFA's unique issues.

Our ability to represent our clients effectively results from our preparation and attention to detail. We review all legislation introduced in California and, based on that review, we begin the dialogue with our clients about bills that may impact them. Again, our long standing representation of OCFA allows us to identify bills of potential concern and work quickly in determining what actions to take. In addition, given that history, it is quite common that legislators and staff will reach out to us before introducing bills that they suspect would impact OCFA.

Because Nielsen Merksamer is a law firm, we are able to provide OCFA with sophisticated legal analysis and can draft necessary amendments to legislation. In most instances, we draft the legislation our clients sponsor. It is our experience that when we draft the legislation and also act as the lobbyist, it dramatically improves the chances of success because we can act much more nimbly as we navigate the legislative process. Nielsen Merksamer has significant expertise in a number of subject areas, including corporate taxation, health care, local government operations and finance, banking, energy, telecommunications, tribal issues, entertainment and the regulation of licensed professionals. Our work in these areas puts us in contact with the vast majority of legislators and legislative committees. We characterize this as creating "economies of scale" that benefit all of our clients.

With regard to the key areas of importance set forth in the RFP, we have successfully represented OCFA in the past and are well situated to continue to do so. Few lobbying firms have our breadth of experience on budget issues. Much of that work has been on behalf of cities and counties, and often focuses on property tax issues. We are recognized experts in property tax allocation issues and ERAF, and on local government finance, whether they are program specific or unrestricted allocations. We understand the unique nature of OCFA and its financing, and have worked effectively with the budget committees to shield OCFA from actions involving property taxation that were not intended to affect OCFA. Our firm drafted Proposition 1A and, on an ongoing basis, works closely with special districts and joint powers authorities to navigate the maze of property tax imposition and allocation. We were part of the lobbying team in the fight to save redevelopment, and have represented cities and counties in discussions with the Department of Finance on the ROPS process.

We have represented OCFA on numerous other legislative proposals ranging from mandates on sprinklers in residential properties, inspection requirements for multi-family dwellings, fireworks use, and bans on novelty lighters. Throughout those efforts, OCFA has established itself as a credible, sophisticated and effective participant in the legislative process.

OCFA's needs in Sacramento go beyond activities in the Legislature. Indeed, the budget process is driven more by the Department of Finance and the relevant state agencies. OCFA's lobbying firm must have strong relationships in the Department of Finance, CALFIRE and other agencies dealing with issues affecting both fire protection services and the financing of those services.

Throughout the period of our representation of OCFA we have been able to address issues affecting OCFA in whatever venue they arose. For instance, when public safety realignment was first put forward by the Governor, we were able to work with both CALFIRE and the Department of Finance to address OCFA's concerns. In educating the

Department of Finance about the intricacies of contract counties generally and OCFA specifically, we helped them see that realigning fire protection services did not achieve their goals.

Through our representation of cities and counties, our firm works very closely with various public safety organizations, such as the California State Sheriffs' Association and the California Professional Firefighters, on a variety of public safety issues. We have worked on a number of budget and policy issues with these organizations and have successfully resolved policy differences with them. Also, we have worked with law enforcement to protect grant programs for gang suppression and drug interdiction, and worked on numerous bills relating to sex offenders.

With the changes that have occurred in the Legislature this year--36 new members, 12 year terms for those new members, and Democratic supermajorities in both houses—OCFA needs lobbyists that can make the necessary adjustments to protect their interests. Nielsen Merksamer's diversity of clients and their political inclinations, and our extensive outreach to new Legislators, places us in an ideal position to meet OCFA's needs going forward.

We have been honored to represent OCFA and believe that we are uniquely suited to be its representative in Sacramento as we enter the 2013/2014 legislative session. The relationships we have developed on the issues of concern to OCFA and our knowledge of those issues, combined with our overall abilities as lawyers and legislative advocates, will continue to serve the organization well.

DESCRIPTIVE NARRATIVE

Nielsen Merksamer will work in partnership with OCFA to identify legislative priorities and develop plans to influence and educate legislators and staff. Working together, we will develop strategies, informational materials, testimony, and messages on legislative activities that affect OCFA's interests.

Our main objectives in representing OCFA would be as follows:

- Employ an aggressive, substantive lobbying approach and strive to achieve results that favor OCFA in the legislative arena.
- Position OCFA so as to enhance OCFA's relationships and profile at the Capitol and in the executive branch.
- Represent OCFA in a manner that reflects OCFA and its members' values – hard working, professional and with integrity.
- Enhance OCFA's relationship with all pertinent Assemblymembers and Senators and the Administration.

Tasks

To meet these objectives and based upon our review of the scope of work and our understanding of the issues facing OCFA, we would perform the following tasks on an ongoing basis, with guidance from OCFA's Board of Directors and staff:

- Immediately develop a plan for the upcoming 2013/2014 legislative session for how OCFA may best accomplish its own legislative goals as well as respond to the legislature and the Governor as they develop their policy initiatives.
- Provide strategic advice to best position OCFA with policy makers in the legislature and the executive branch.
- Identify, analyze and monitor existing and new proposals originating from state agencies and departments.

- Immerse ourselves in understanding the key policy issues facing OCFA in each legislative session and at each pertinent state agency and department.
- Review all introduced and amended legislation and budget proposals for matters that may impact OCFA.
- Draft and secure amendments to pending legislation on an as-needed basis, in cooperation with OCFA staff. Because most of the principals at Nielsen Merksamer are attorneys, we are able to provide our clients with substantive drafting and all the work we do on behalf of OCFA would be protected by the Attorney/Client privilege. In fact, we believe this is a function that distinguishes us from most other lobbying firms.
- Develop and execute legislative strategies that affect legislation important to OCFA.
- Represent and advocate for OCFA's legislative goals by testifying at legislative hearings, as appropriate, or providing written testimony and counsel to OCFA representatives testifying at legislative hearings.
- Establish, strengthen, and maintain relationships with legislators and staff, especially legislative leadership and relevant committee chairs, members, and staff.
- Coordinate, facilitate and attend meetings with OCFA and key contacts in Sacramento, as needed.
- Educate legislators, legislative staff, and governor's staff of the impact of legislation on OCFA's ability to serve its citizens.
- Work in partnership with trade/advocacy organizations, including other public safety organizations, as necessary to support OCFA's legislative goals.
- Participate in key lobbying coalitions representing OCFA.
- Advise OCFA on potential grassroots activity.
- If desired, assist with organizing an OCFA legislative action day event.

RELEVANT EXPERIENCE

As previously stated, Nielsen Merksamer is a bipartisan law firm specializing in government and political law and related litigation. As a result of the breadth and diversity of our client base, we are at the forefront of most of the major issues in this State. We are currently involved in matters ranging from energy, transportation and government finance to environmental issues and health care.

Nielsen Merksamer prides itself on a thoughtful, substantive approach to legislative advocacy, relying on our legal and strategic skills as well as the credibility we have developed over the years. We also have considerable experience in forging coalitions to support our clients' interests, and are experienced in finding allies to assist our clients' legislative agenda.

Because members of Nielsen Merksamer are from both political parties, all of whom have been active in politics and government for many years, we have excellent relationships with both sides of the aisle. Indeed, the ability to work well with Democrats and Republicans is a necessity in representing clients with a diversity of interests. Because of the issues raised by our existing clients, we work with almost all of the members of the Legislature and with most of the legislative policy committees on an ongoing basis.

One of the cornerstones of our relationship with clients is our strategic development. To put it another way, we not only lobby for our clients, we develop a strategic legislative advocacy plan. We recognize that were we to continue to represent OCFA's interests before the Legislature, our best chance of success will be to describe and explain the entire context of OCFA's position; "the total picture." In order to do that, we delve deeply into the policy considerations that face the organization, including working with key members and staff to fully understand program considerations. We regularly work with our clients to develop each year's legislative priorities and work with individual staff members to implement those priorities throughout the year.

OCFAs' challenges in the legislative and regulatory arenas are unique. Because of our significant experience in dealing with JPAs and other local government bodies, including the counties of Contra Costa, Riverside, San Diego and Yolo, the cities of Riverside, Vernon and Visalia, the Orange County Fire Authority, the Local Health Plans of California, and the San Mateo Community College District, Nielsen Merksamer is accustomed to addressing and helping to manage efforts to achieve the goals of local government entities. Nielsen Merksamer provides both the expertise and the solid relationships necessary to bring continued and additional success.

PROPOSAL QUESTIONNAIRE

1. Describe your ability to meet the minimum requirements outlined in the scope of work for State and/or Federal lobbyist requirements.

Throughout this RFP response, we have illustrated our ability to meet OCFA's unique needs for state legislative advocacy services. More specific responses to the Minimum Qualifications outlined in the Scope of Work are as follows:

1. Nielsen Merksamer has been a lobbying firm registered with the Secretary of State since 1983. Jim Gross, the partner responsible for this contract, has been registered since that time and has been with the firm since 1981.
2. Nielsen Merksamer has continuously represented various local governmental entities since 1996. We have represented OCFA since 1997.
3. Included in Attachment A are legislative measures that we moved through the legislative process and obtained the Governor's signature. In doing so, our responsibility was to assist in the drafting of the language, choosing the legislator to author the bill, and negotiating its terms with interested parties and legislative staff.
4. Our contracts with the cities of Riverside and Visalia and the counties of San Diego, Riverside, Marin and Contra Costa have been renewed numerous times since our initial retention.
5. We possess all permits, licenses and professional credentials necessary to perform the services under this contract.
6. We are not aware of any conflicts with our representation of OCFA and in the 15 years we have represented OCFA, no conflicts have arisen.

2. Describe the regular reports that will be provided to OCFA and how the firm is positioned to respond and coordinate meeting requests.

Nielsen Merksamer will provide reports to OCFA that may be used for internal staff briefings, public distribution to OCFA members, and other audiences. We would be willing to provide these to OCFA in whatever format or frequency is desired. Please see Attachment B for samples of monthly reports previously provided to OCFA.

Nielsen Merksamer is also accustomed to facilitating and participating in weekly, biweekly, and monthly meetings and conference calls with clients. During the times of year when legislative business is at its height, OCFA might find weekly or biweekly conference calls to be beneficial in coordinating efforts between OCFA and its Sacramento team. These calls can be more frequent or less frequent depending upon the time of year and issues in which OCFA is involved. At the direction of OCFA, decisions with respect to frequency of calls would be coordinated with OCFA staff and principals.

Also upon the request of OCFA, we are willing to participate in monthly, quarterly or annual OCFA meetings, giving in-person reports regarding legislative and regulatory activity in Sacramento.

3. Include a description of services your firm provides to ensure that OCFA is in compliance with relevant lobby reporting requirements.

For OCFA, Nielsen Merksamer has traditionally prepared, reviewed and filed required lobby reports. We will continue to do so if selected to maintain our representation of OCFA for state legislative services.

This is a particularly valuable service as Nielsen Merksamer is the preeminent political law compliance firm in California. Our political law attorneys, together with the firm's reporting unit, assist clients in complying with campaign, lobby and government ethics laws on the federal, state and local level nationally. In so doing, the firm has developed a unique expertise in political laws as well as a familiar working relationship with the officials in the agencies that interpret and enforce these laws.

Integral to Nielsen Merksamer's national compliance capabilities is the firm's Reporting Unit. The firm has a staff of paralegals who prepare, review, and, after attorney review and approval, file the various federal, state, and local disclosure reports required by law. Our Reporting Unit has developed a valuable hands-on expertise in the campaign, lobby, gift and tax disclosure laws that affect our clients.

4. Describe how the firm operates and is structured to employ in-house or sub-consultants.

Nielsen Merksamer is a bipartisan law firm, organized as a Limited Liability Partnership. When combining attorneys, professional and administrative staff in our Sacramento and Marin offices, we have over 55 employees. The firm is comprised of three sections: Government Law, Political Law, and Litigation. The firm is led by a management committee whose members are Chip Nielsen, Steve Merksamer, Jim Parrinello, and Jim Gross.

We have excellent relationships with a variety of reputable lobbying, public relations and research firms in Sacramento and, when necessary, are able to secure well respected sub-contractors. Indeed, we have employed this tactic in coordination with clients in the past when, strategically, it was in that client's best interests to increase their lobbying force and influence, even if temporarily to address a particular major issue of concern.

5. Provide a current client list that includes the entity name, primary contact, telephone, and e-mail.

Below is a list of Nielsen Merksamer's current list of lobbying clients. We are happy to provide contact information for any of these clients upon OCFA's request.

1-800 CONTACTS, INC.
AIR TRANSPORT ASSOCIATION OF AMERICA
ALAMEDA ALLIANCE FOR HEALTH
ALLERGAN, INC. AND ITS AFFILIATES
ALLIANCE OF AUTOMOBILE MANUFACTURERS
ALTRIA CLIENT SERVICES INC. AND ITS AFFILIATES

AMERICAN COUNCIL OF ENGINEERING COMPANIES CALIFORNIA, INCLUDING
INFRASTRUCTURE DELIVERY COUNCIL
APPLIED UNDERWRITERS
BANK OF AMERICA, N.A.
BEHAVIOR ANALYSTS CERTIFICATION BOARD (BACB)
BP AMERICA AND ITS AFFILIATED ENTITIES
CALIFORNIA ASSOCIATION FOR BEHAVIOR ANALYSIS
CALIFORNIA DIETETIC ASSOCIATION
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
CALIFORNIA MANUFACTURED HOUSING INSTITUTE
CALIFORNIA PHARMACISTS ASSOCIATION
CALIFORNIA PODIATRIC MEDICAL ASSOCIATION
CALIFORNIA PSYCHIATRIC ASSOCIATION
CALIFORNIA REDEVELOPMENT ASSOCIATION
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CALIFORNIANS TO DEFEND AN OPEN PRIMARY
CARDINAL HEALTH
COMCAST CORPORATION AND AFFILIATED ENTITIES, INCLUDING NBC
UNIVERSAL MEDIA, LLC
COMMUNITY HEALTH GROUP
CONTRA COSTA COUNTY
CULLIGAN INTERNATIONAL COMPANY
CYSTIC FIBROSIS FOUNDATION
DAUGHTERS OF CHARITY HEALTH SYSTEM
DIRECT MARKETING ASSOCIATION, INCLUDING INTERNET ALLIANCE
DIRECTORS GUILD OF AMERICA, INC.
DOLLAR FINANCIAL GROUP
ENTERPRISE HOLDINGS
FRONT PORCH
GARLAND COMPANY, INC; THE
GENENTECH, INC., A MEMBER OF THE ROCHE GROUP
GEO GROUP
GEP ADMINISTRATIVE SERVICES, INC. (DBA ENTERTAINMENT PARTNERS)
IATSE LOCAL 729
INSPERITY, INC.
INTERNATIONAL HEALTH, RACQUET & SPORTSCLUB ASSOCIATION
INDEPENDENT PHARMACY COOPERATIVE (IPC)
JOHNSON & JOHNSON SERVICES, INC. AND AFFILIATED ENTITIES
LOCAL HEALTH PLANS OF CALIFORNIA
LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY DBA L.A.
CARE
HEALTH PLAN

MARIN; COUNTY OF
MEDCO HEALTH SOLUTIONS, INC. AND AFFILIATES
MERCK SHARP & DOHME CORP. AND ITS AFFILIATES
MOTION PICTURE ASSOCIATION OF AMERICA, INC.
NIELSEN, MERKSAMER, PARRINELLO, GROSS & LEONI, LLP
NOVO NORDISK, INC.
ORANGE COUNTY FIRE AUTHORITY
OWENS & MINOR
PACIFIC GAS AND ELECTRIC COMPANY AND ITS AFFILIATES OF ENTITIES
PHILIPS LIGHTING COMPANY AND AFFILIATES
PHYSICIAN THERAPEUTICS
RIVERSIDE PUBLIC UTILITIES; CITY OF
RIVERSIDE; CITY OF
RIVERSIDE; COUNTY OF
SAN DIEGO; COUNTY OF
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
SHAW INDUSTRIES GROUP, INC.
SHRINERS HOSPITALS FOR CHILDREN
TSE HOLDINGS LLC DBA BETFAIR US AND ITS AFFILIATES INCLUDING ODS
TECHNOLOGIES DBA TVG NETWORK
VAVRINEK, TRINE, DAY & CO, LLP
VERNON. CITY OF
VISALIA; CITY OF
WASTE MANAGEMENT & AFFILIATED ENTITIES
YOLO; COUNTY OF

6. **OCFA recognizes that lobbying firms representing multiple public agencies must serve various client needs that arise throughout the year. Firms should address how they prioritize and communicate to their clients. In addition, due to the nature of representing multiple public agencies, it is possible for conflicts to arise in the legislative positions or goals adopted by each client. As a joint powers authority comprised of 23 cities and the County of Orange conflicts could arise between OCFA, our members, or with statewide associations representing public agencies. Describe the firm's policy or experience in managing client conflicts and how this would be addressed if the firm is awarded a contract with OCFA.**

We are not aware of any conflicts with our representation of OCFA, and in the 15 years we have represented OCFA, no conflicts have arisen. Nonetheless, if conflicts arise between OCFA and our other clients, our firm will attempt to resolve those conflicts by bringing OCFA and the entity together to see whether it is possible to resolve the conflict.

- 7. OCFA regularly seeks to reduce travel costs and minimize the number of days needed to complete meetings. For example, splitting up attendees from OCFA to attend overlapping meetings which may require firm personnel to be present at both meetings. Please provide information on how your firm will be able to assist in reducing travel costs.**

Nielsen Merksamer has both the personnel and technological capacity to minimize client costs, while providing excellent representation and coverage of internal and external meetings and hearings. Because we have six registered lobbyists as well as several professional personnel housed in our Sacramento office, OCFA attendees would be accompanied by a member of the Nielsen Merksamer team for meetings in and around the capitol, even if several meetings or hearings are scheduled for the same time frame.

This becomes important when OCFA has several officials in Sacramento, all attending hearings and meeting with legislators and staff in a compressed timeframe. We have significant experience with this scenario and it is not unusual for us to have a Nielsen Merksamer representative at every meeting between clients and elected representatives and their staff, even when four to five meetings are overlapping.

- 8. Firms should demonstrate their qualifications beyond their abilities to interact with local Orange County delegation members. The OCFA communicates on a regular basis with our State and Federal delegations members through the office of the Fire Chief, OCFA Corporate Communications and our member agencies. Firms should describe how they will compliment these relationships and expand beyond Orange County elected officials to achieve the strategic goals identified in the scope of work.**

A number of recent events have changed the political landscape of the legislature. Among other things, the combination of new districts lines and the top two primary system have resulted in 36 new members (all of whom may serve 12 years in one house) and super majorities for Democrats in both the state Senate and state Assembly. The traditional Republican "backstop" on tax issues, urgency measures, veto overrides and last minute, dark of night procedural motions in the respective houses of the Legislature is gone.

Now, more than ever, OCFA must have access to the entire legislature, not just local Orange County delegation members. Because of our diverse client base and because members of Nielsen Merksamer are from both political parties, all of whom have been active in politics and government for many years, we have excellent relationships with both sides of the aisle with members whose districts reach well beyond the borders of Orange County. Indeed, the ability to work well with all Democrats and Republicans is a necessity in representing OCFA because of its diversity of unique interests.

PROJECT TEAM AND RESUMES

If Nielsen Merksamer is retained, OCFA will be primarily represented by two members of the firm, James (Jim) Gross and Cathy Christian. However, all six of our attorney/lobbyists would be available to work on a matter, if necessary.

Jim Gross, the partner responsible for this contract, has been a registered lobbyist since 1983 and has been with the firm since 1981. Cathy Christian is also a partner and has been registered as a lobbyist for more than 15 years.

Jim and Cathy would also coordinate efforts with the Nielsen Merksamer team to ensure that OCFA's issues are being covered appropriately. Gene Erbin, John Moffatt, Missy Johnson and Brianna Lierman Hintze will be the lobbyists working collaboratively with them, when necessary. Lynn Lenzi, the firm's Senior Legislative and Research Assistant, will handle bill tracking and other activities related to budgetary and regulatory tracking, analysis and research.

JAMES C. GROSS is a partner specializing in government law and the legislative process and is one of the original members of the firm's government law section. He specializes in health issues, state and local fiscal and tax policy, and local government issues. He is the lead advocate representing the City of Riverside, San Diego and Riverside Counties, and has particular expertise in fiscal issues, including the VLF, property and sales tax, and the mandates process. Also, he has substantial expertise in the area of local planning and CEQA issues. For more than 25 years, he has participated in the development and passage of major legislation affecting the delivery of health and human services in California. He is a graduate of the University of California, Davis and the University of California, Davis School of Law where he wrote and edited for the Law Review.

CATHY CHRISTIAN is a partner experienced in many aspects of government law. She has represented gaming, media, education, and local government interests before the Legislature and has been counsel to statewide initiative campaigns. Prior to joining the firm, she handled general government litigation in the Attorney General's office and was a senior advisor to the Attorney General on gaming and Indian law and was General Counsel to the California Horse Racing Board. She also served as a Deputy Solicitor for the California Agricultural Labor Relations Board, and she was staff counsel at Channel Counties Legal Services in Ventura County, California. Prior to receiving her law degree, she was an organizer for the United Farm Workers of America, AFL-CIO. She is a graduate of the

University of California, Berkeley (Phi Beta Kappa) and received her law degree from Golden Gate University School of Law in San Francisco.

GENE ERBIN is a partner specializing in the legislative process and governmental affairs. His expertise includes environmental compliance and civil law. Additionally, Mr. Erbin has written numerous statewide initiatives and played key roles in many other statewide initiative campaigns. Prior to joining the firm, he served as counsel to the Assembly Judiciary Committee for nine years under three Democratic chairpersons. Before his tenure with the Judiciary Committee, he was lead staff counsel for the Center for Public Interest Law for five years. He is a graduate of Georgetown University and received his legal degree from the University of San Diego School of Law.

JOHN J. MOFFATT is an attorney in the firm's government law section. Prior to joining Nielsen Merksamer, Mr. Moffatt served in the administration of Governor Arnold Schwarzenegger as Chief Deputy Legislative Secretary and Deputy Legislative Secretary. In that capacity, Mr. Moffatt served as a member of the Governor's Senior Staff and was responsible for helping develop and negotiate the annual budget as well as the Administration's major policy initiatives. He was also responsible for developing, managing, and negotiating the Administration's policies and positions on all legislative issues and initiatives pertaining to the California Environmental Protection Agency, the California Natural Resources Agency, the California Department of Food and Agriculture and the California Public Utilities Commission. Prior to joining the Schwarzenegger Administration, Mr. Moffatt served as Legislative Director for Senator Chuck Poochigian and consultant to the Senate Select Committee on Central Valley Economic Development. He also previously served as Assistant Legislative Director for the California Department of Food and Agriculture and worked in the National Affairs and Research Division of the California Farm Bureau Federation. Mr. Moffatt attended Cal Poly, San Luis Obispo, where he earned his Bachelor's degree in Agriculture Business while serving as Student Body President. He received his Juris Doctor from the University of the Pacific's McGeorge School of Law with a concentration in taxation policy in 2005.

MISSY JOHNSON is a legislative advocate in the firm's government law section who works collaboratively with the firm's attorneys with an emphasis on issues relating to health care, occupational licensing and consumer protection. Prior to joining the firm, Ms. Johnson was the Vice President of Government Affairs for the California Retailers Association (CRA) where she served as the in-house lobbyist and represented the retail industry on a variety of issues. Prior to joining CRA, Ms. Johnson worked in the California Legislature for ten years in a number of capacities where she developed relationships with key legislative staff and Members. Her last position there was with the Senate Committee on Business, Professions, and Economic Development where she worked on issues relating to economic development, workforce training, and California's tourism, entertainment, and sports industries as well as the regulation of a number of professions. Ms. Johnson is a

graduate of California State University, Sacramento where she studied Criminal Justice and Sociology and completed graduate work in Public Policy and Administration.

BRIANNA LIERMAN HINTZE is an associate attorney in the firm's government law section. Prior to joining Nielsen Merksamer, Ms. Lierman Hintze was the Director of Legal and Regulatory Affairs for the California Association of Health Plans. In that position, she led the association's regulatory advocacy efforts on behalf of managed care health plans that serve California's public health care programs, such as Medi-Cal and the Healthy Families Program. Ms. Lierman Hintze began her career with the State of California, working for the Secretary of State, Elections Division, where she gained substantial experience in all matters related to elections, initiatives, and referenda. She also worked for the Department of Consumer Affairs, where she focused on legislative efforts related to licensed professionals. Ms. Lierman Hintze received her Juris Doctor, with distinction, from University of the Pacific, McGeorge School of Law. She received her undergraduate degree in Political Science from University of California, Davis. Ms. Lierman Hintze is a member of the California State Bar.

LYNN LENZI is a Senior Legislative and Research Assistant in the firm's Government Law Section. She works collaboratively with the firm's partners in areas of client interests including legislative, budgetary and regulatory tracking, analysis and research. Prior to joining Nielsen Merksamer, Lynn was the Senior Legislative Representative for ARCO's West Coast Government Relations where she participated in providing representation to the Legislature, Governor's office and regulatory agencies. Prior to ARCO, she worked for the City of Los Angeles Office of the Legislative Analyst Intergovernmental Affairs Committee. Lynn has a BA in Public Administration from the University of Redlands and has completed Business Management courses from the University of California, Los Angeles.

LIST OF REFERENCES

County of San Diego

(December 1996 – Present)

Nielsen Merksamer performs general legislative advocacy work for the County of San Diego and has done so for the past 15 years.

During that time, we have been directly responsible for all of the county's legislative activities. San Diego County has sponsored two to four bills every year, covering a wide variety of issues. We have had great success passing legislation and obtaining gubernatorial signatures.

San Diego has also been active in opposing legislation that imposes costs on counties and often has taken the lead among counties in that opposition. In addition, San Diego tries to be a strong voice with CSAC regarding the protection of counties' fiscal independence.

We meet regularly with department managers within the county to ensure we are addressing their priorities and we also meet directly with the Board of Supervisors one to two times per year.

Contact: Helen Robbins-Meyer, Assistant Chief Administrative Officer
County Administration Center
1600 Pacific Highway, Room 209
San Diego, CA 92101
(619) 531-5880
Cao_mail@sdcounty.ca.gov

City of Riverside

(November 2006 – Present)

Nielsen Merksamer performs general legislative advocacy work for the City of Riverside and has done so for the past five years.

During that time, we have successfully pushed through specific legislation to maintain local control over the siting of "sober living homes" and prevent the filing of "harassment liens" against the property of public officials. We have also helped negotiate issues related to the continuing operation of a state park within the city limits and worked closely with other state and local partners on issues related to the city's municipal utility.

Contact: Cindie Perry, Intergovernmental & Communications Officer
3900 Main Street
Riverside, CA 92522
(951) 826-5551
cperry@riversideca.gov

City of Visalia

(June 2011 – Present)

Nielsen Merksamer performs general legislative advocacy work for the City of Visalia and has done so since June 2011.

During that time, we have actively engaged in the legislature on a variety of issues including the fallout from the elimination of redevelopment, increased workers' compensation for local government, allocation of Vehicle License Fees and other issues impacting local control, like medical marijuana dispensaries, sidewalk repairs, and local government hiring practices. Additionally, Nielsen Merksamer has engaged with Executive Branch entities on behalf of the city, including the State Water Resources Control Board for wastewater treatment facility grants, the California High Speed Rail Authority regarding route alignments in the Central Valley, the California Public Utilities Commission regarding water rates and the Department of Toxic Substances Control regarding PCE contamination clean up and management.

Contact: Steve Salomon, City Manager
707 West Acequia Ave.
Visalia, CA 93291
(559) 713-4312
ssalomon@ci.visalia.ca.us

COMMUNICATION AND REPORT SAMPLES

Please see Attachment B for sample reports previously provided to OCFA by Nielsen Merksamer.

OFFER/COST PROPOSAL

Nielsen Merksamer will invoice OCFA on a monthly basis. While we are open to discussion regarding the amount of the monthly retainer and the services to be provided, we propose a monthly retainer of \$5,500 for services.

As stated on the Price Proposal Page, the above proposal does not include expenses for OCFA pre-approved travel costs, which would be included in the invoice submitted to OCFA the month following the date of travel.

APPENDIX B

PRICING PAGE

Proposal Costs - The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. This section shall include the proposed costs to provide the services that your firm is able to provide. If you are only providing pricing for State or Federal and not both, please indicate this by writing not applicable. Any additional fees outside the scope of the agreement must be approved by the OCFA in writing before commencing services for said fees.

1. STATE LEVEL PRICING

Description	MOS.	1 st Year		2 nd Year		1 st + 2 nd Total
		Monthly	Annual	Monthly	Annual	2-Year Total
Monthly service charge for State legislative advocate program	12	\$ 5,500	\$ 66,000	\$ 5,500	\$ 66,000	\$ 132,000

Please provide details on how incidentals and travel will be billed to OCFA.
 Incidentals and travel will be pre-approved by OCFA and will be included in monthly invoices sent to OCFA.

2. FEDERAL LEVEL PRICING

Description	MOS.	1 st Year		2 nd Year		1 st + 2 nd Total
		Monthly	Annual	Monthly	Annual	2- Year Total
Monthly service charge for Federal legislative advocate program	12	\$	\$	\$	\$	\$

Please provide details on how incidentals and travel will be billed to OCFA.

What type of savings could OCFA expect if awarded both the State and Federal lobbying contracts?

Any additional information you would like OCFA to consider.

Term of Offer: It is understood and agreed that this offer may not be withdrawn for a period of **ninety-(90) days** from the Proposal Submittal Deadline, and at no time in case of successful Offeror.

Attachment A

Assembly Bill No. 625

Passed the Assembly May 18, 2009

Chief Clerk of the Assembly

Passed the Senate August 27, 2009

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 14941 of, and to add Section 14944 to, the Health and Safety Code, relating to cigarette lighters.

LEGISLATIVE COUNSEL'S DIGEST

AB 625, Lieu. Novelty lighters.

Existing law requires the State Fire Marshal to specify standards for the design of cigarette lighters. Existing law prohibits a person from selling, offering for sale, or distributing a cigarette lighter that does not comply with those standards. A violation of these provisions is an infraction.

This bill would, in addition, prohibit a person, including a manufacturer, distributor, importer, or retailer, from selling, offering for sale, distributing, or offering for promotion an operable novelty lighter. The bill would define a novelty lighter as a mechanical or electrical device, operating on any type of fuel, that is typically used for lighting cigarettes, cigars, or pipes and that (1) is designed to appear to be a toy, (2) has entertaining audio or visual effects, or (3) resembles in physical form or function articles commonly recognized as appealing to, or intended for use by, persons under 12 years of age. The bill would exempt from these provisions a device that is (1) manufactured before January 1, 1980, (2) incapable of being fueled or lacking a means of combustion, (3) used primarily to ignite fuel for fireplaces or grills, or (4) printed or decorated with logos, labels, decals, artwork, or heat shrinkable sleeves. A violation of this prohibition would be an infraction. By creating a new crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 14941 of the Health and Safety Code is amended to read:

14941. As used in this part, the following terms shall have the following meanings:

(a) "Cigarette lighter" means a device used to light cigarettes, cigars, and pipes, but does not mean a match. "Cigarette lighter" includes a device, such as a watch, that may be used to light cigarettes, cigars, and pipes even though it is primarily used for other purposes. "Cigarette lighter" does not include lighters that are refillable and have a gross fueled weight of at least 35 grams.

(b) (1) "Novelty lighter" means a mechanical or electrical device, operating on any type of fuel, including butane or liquid fuel, that is typically used for lighting cigarettes, cigars, or pipes and that has any of the following characteristics:

(A) The device is designed to appear to be a toy.

(B) The device has entertaining audio or visual effects.

(C) The device resembles in physical form or function articles commonly recognized as appealing to, or intended for use by, persons under 12 years of age.

(2) The devices described in subparagraphs (A) to (C), inclusive, of paragraph (1) include, but are not limited to, devices that resemble cartoon characters, guns or other weapons, watches, musical instruments, vehicles, toy animals, cell phones, batteries, common household items, or foods or beverages, or devices that play musical notes or have flashing lights or other entertaining features.

(3) "Novelty lighter" does not include any of the following:

(A) A device manufactured before January 1, 1980.

(B) A device that is incapable of being fueled or that lacks a means of producing combustion or a flame.

(C) A device used primarily to ignite fuel for fireplaces or for charcoal or gas grills.

(D) A device printed or decorated with logos, labels, decals, artwork, or heat shrinkable sleeves.

(c) "Operate" means the ability to cause a cigarette lighter to ignite.

(d) “Special design” means a design of a cigarette lighter that results in the cigarette lighter being significantly difficult for children under five years of age to operate.

SEC. 2. Section 14944 is added to the Health and Safety Code, to read:

14944. (a) No person, including a manufacturer, distributor, importer, or retailer, shall sell, offer for sale, distribute, or offer for promotion an operable novelty lighter.

(b) The prohibition contained in subdivision (a) shall not apply to the storage of novelty lighters in a location that is closed to the public for the purpose of distributing the novelty lighters outside the state.

(c) This section shall be enforced by the State Fire Marshal, any police officer, any local code enforcement official, or any state or local official authorized to enforce the provisions of this part.

(d) A person who violates subdivision (a) is guilty of an infraction and shall be punished by a fine not to exceed five hundred dollars (\$500).

(e) This section shall not supersede any ordinance enacted by a local jurisdiction prior to January 1, 2010.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2009

Governor

AMENDED IN SENATE JUNE 12, 2003
AMENDED IN ASSEMBLY MAY 22, 2003
AMENDED IN ASSEMBLY MAY 12, 2003
AMENDED IN ASSEMBLY MARCH 24, 2003
CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 731

Introduced by Assembly Member Spitzer

February 19, 2003

An act to amend Section 13146.2 of the Health and Safety Code, relating to fire safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 731, as amended, Spitzer. Public safety: building inspections. Existing law requires the State Fire Marshal to adopt, amend, and repeal rules and regulations for fire and panic safety in all hotels, motels, lodging houses, apartment houses and dwellings, buildings, and accessory structures. Existing law requires every city or county fire department or district providing fire protection services that is charged with enforcement of specified building standards and regulations to annually inspect these structures, except dwellings, for compliance.

This bill would instead require the inspection of ~~defined~~ *an apartment house* *house* on a periodic basis to be determined by the fire department or district as necessary to protect the public health and safety, but no less than once every 3 years, if the apartment house consists of not more than 3 stories and each unit has separate, direct access to a public way.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13146.2 of the Health and Safety Code
2 is amended to read:

3 13146.2. (a) Every city or county fire department or district
4 providing fire protection services required by Sections 13145 and
5 13146 to enforce building standards adopted by the State Fire
6 Marshal and other regulations of the State Fire Marshal shall,
7 annually, inspect all structures subject to subdivision (b) of Section
8 17921, except dwellings and apartment houses that are subject to
9 subdivision (b), for compliance with building standards and other
10 regulations of the State Fire Marshal.

11 (b) ~~The inspection of an~~ *If an apartment house consists of not*
12 *more than three stories and each unit has separate, direct access*
13 *to a public way, the inspection of the apartment house shall occur*
14 *on a periodic basis to be determined by the fire department or*
15 *district as necessary to protect the public health and safety, but no*
16 *less than once every three years, if the apartment house consists of*
17 ~~not more than three stories and each unit has separate, direct access~~
18 ~~to a public way.~~ *once every three years.*

19 (c) A city, county, or district that inspects a structure pursuant
20 to subdivision (a) may charge and collect a fee for the inspection
21 from the owner of the structure in an amount, as determined by the
22 city, county, or district, sufficient to pay its costs of that inspection.

23 (d) ~~For purposes of this section, an "apartment house" means~~
24 ~~an apartment house in which each unit has a separate exit to the~~
25 ~~exterior of the apartment house.~~

Senate Bill No. 373

CHAPTER 68

An act to amend Section 31484.9 of the Government Code, relating to county employees' retirement.

[Approved by Governor July 7, 2011. Filed with Secretary of State July 8, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

SB 373, DeSaulnier. Retirement: Contra Costa County.

Existing law, until January 1, 2012, authorizes the Contra Costa County Board of Supervisors to establish different retirement benefits for different bargaining units of safety employees represented by the Contra Costa County Deputy Sheriffs' Association, and the unrepresented groups of safety employees in similar job classifications and the supervisors and managers of those employees, as specified, pursuant to a resolution making those provisions applicable to that county.

This bill would delete the January 1, 2012, date thereby extending that authorization indefinitely.

The people of the State of California do enact as follows:

SECTION 1. Section 31484.9 of the Government Code is amended to read:

31484.9. (a) This section shall apply to the retirement system of Contra Costa County and only if the board of supervisors of that county adopts, by majority vote, a resolution making this section applicable in the county. Notwithstanding any other law, the board of supervisors may make this section applicable in the county on a date specified in the resolution, which date may be different than the date of the resolution.

(b) (1) When the board of supervisors meets and confers pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with the Contra Costa County Deputy Sheriffs' Association, the parties may agree, pursuant to a memorandum of understanding as described in Section 3505.1, that the provisions of this section shall apply to safety employees represented by the Contra Costa County Deputy Sheriffs' Association.

(2) The terms of any agreement reached with the Contra Costa County Deputy Sheriffs' Association pursuant to this subdivision shall be made applicable by the board of supervisors to unrepresented county employees who are safety members in the Contra Costa County Sheriff's Office and

in similar job classifications as employees within applicable bargaining units and the supervisors and managers of those employees.

(3) An ordinance or resolution adopted pursuant to this section may establish different retirement benefits for different bargaining units of safety employees represented by the Contra Costa County Deputy Sheriffs' Association and the unrepresented groups of safety employees in similar job classifications and the supervisors and managers of those employees. The ordinance or resolution may also establish the time period during which employees may make an election under this section and the date on which an employee shall be employed to be subject to this section.

(c) (1) Notwithstanding any other law, if the board of supervisors makes a particular provision or provisions of this chapter providing for increased benefits applicable to safety employees of the county represented by the Contra Costa County Deputy Sheriffs' Association through the adoption of an ordinance or resolution, the board of supervisors may at any time thereafter adopt another ordinance or resolution terminating the applicability of that provision or provisions as to current employees of the county who elect by written notice filed with the board to have the applicability of the provision or provisions terminated as to those employees. This section is intended only to authorize the termination of those benefits that the board of supervisors elected to increase over the basic benefits or to make applicable in addition to the basic benefits pursuant to the provisions of this chapter. The termination of benefits shall be consistent with the memorandum of understanding described in subdivision (b). Nothing in this section shall be construed as authorizing the board of supervisors to terminate the basic benefits required under the provisions of this chapter.

(2) The board of supervisors, prior to adopting an ordinance or resolution allowing the termination of the applicability of any increased benefit provisions shall provide a written explanation of the effect and impact of the termination for each member requesting termination of the applicability of any provisions.

(3) The board of supervisors shall require members requesting termination of the applicability of any provisions to sign an affidavit stating that the member has been fully informed regarding the effect of the termination, and understands that the termination of a provision or provisions is irrevocable. The affidavit shall also state that the employee has chosen termination of the provision or provisions of the employee's own free will and was not coerced into termination of any provision by the employer or any other person and shall waive and release any right to a benefit under the terminated provision or provisions for the period of service following the election.

(4) The board of supervisors shall, in the ordinance or resolution granting current employees the option of electing to have the applicability of the provision or provisions terminated, and consistent with the memorandum of understanding described in subdivision (b), specify the provision or provisions that shall be applicable to current employees making the election. More than one optional set of provisions may be made available for election,

including, but not limited to, the "3 Percent at 55" retirement formula, a cost-of-living adjustment, and the definition of final compensation pursuant to Section 31462 or 31462.1.

(5) Employees who elect to have the provision or provisions terminated, shall have their retirement allowance for service rendered after the effective date of election calculated on the basis of the provision made applicable by the board of supervisors. Except as otherwise provided in this section, the retirement allowance for service rendered prior to the effective date of the election shall be calculated on the basis of the provision or provisions applicable during that period of service and the retirement allowance for service rendered on or after the effective date of the election shall be calculated on the basis of the provision or provisions applicable during that period of service. The total retirement allowance for an employee subject to this section shall be the sum of the retirement allowance calculated for service rendered prior to the effective date of the election and the retirement allowance calculated for service rendered on or after the effective date of the election. Any employee who has made an election shall not be eligible for retirement unless the employee meets the minimum requirements of the provision or provisions applicable at the date of retirement.

(6) Any employee who has made an election that the definition of "final compensation" in Section 31462.1 no longer applies, shall have the definition of "final compensation" in Section 31462.1 applied to all service rendered prior to the effective date of the election and the definition of "final compensation" in Section 31462 applied to all service rendered on or after the effective date of the election. For purposes of applying Section 31835 to a retirement system other than the retirement system in Contra Costa County, the highest average compensation described in this paragraph shall apply.

(7) Any employee who has made an election that a cost-of-living adjustment provision of Article 16.5 (commencing with Section 31870) no longer applies shall have the cost-of-living adjustment provision, if any, for service rendered prior to the effective date of the election calculated on the basis of the cost-of-living adjustment provision applicable during that period of service. Any cost-of-living adjustment provision specified by the board of supervisors for service rendered after the effective date of the election shall apply solely to that service. A termination of benefits shall be consistent with the memorandum of understanding described in subdivision (b).

(8) A current employee who has elected to have the applicability of the provision or provisions terminated may not rescind that election, unless the board of supervisors again makes the particular provision or provisions applicable to the employees who are represented by the Contra Costa County Deputy Sheriffs' Association, through the adoption of a subsequent ordinance or resolution pursuant to a memorandum of understanding as described in Section 3505.1.

(9) An election made by a current employee shall be binding upon the employee's spouse and all others claiming benefits under that employee's entitlement.

Senate Bill No. 718

CHAPTER 373

An act to amend Sections 15630, 15630.1, and 15658 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 30, 2011. Filed with
Secretary of State September 30, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

SB 718, Vargas. Elder and dependent adult abuse: mandated reporting.

Existing law requires specified people, known as mandated reporters, to report cases of elder or dependent adult abuse, as defined. Existing law requires mandated reporters, after reporting the abuse by telephone, to send written reports to specified entities containing prescribed information.

This bill would authorize the required reports to be submitted through a confidential Internet reporting tool, if the county or long-term care ombudsman implements such a system, and would require a county or long-term care ombudsman program that chooses to implement this system to report specified information to specified policy committees of the Legislature one year after full implementation.

This bill would incorporate additional changes in Section 15630.1 of the Welfare and Institutions Code, proposed by SB 33, to be operative only if SB 33 and this bill are both chaptered and become effective on or before January 1, 2012, and this bill is chaptered last.

The people of the State of California do enact as follows:

SECTION 1. Section 15630 of the Welfare and Institutions Code is amended to read:

15630. (a) Any person who has assumed full or intermittent responsibility for the care or custody of an elder or dependent adult, whether or not he or she receives compensation, including administrators, supervisors, and any licensed staff of a public or private facility that provides care or services for elder or dependent adults, or any elder or dependent adult care custodian, health practitioner, clergy member, or employee of a county adult protective services agency or a local law enforcement agency, is a mandated reporter.

(b) (1) Any mandated reporter who, in his or her professional capacity, or within the scope of his or her employment, has observed or has knowledge of an incident that reasonably appears to be physical abuse, as defined in Section 15610.63, abandonment, abduction, isolation, financial abuse, or neglect, or is told by an elder or dependent adult that he or she has

experienced behavior, including an act or omission, constituting physical abuse, as defined in Section 15610.63, abandonment, abduction, isolation, financial abuse, or neglect, or reasonably suspects that abuse, shall report the known or suspected instance of abuse by telephone or through a confidential Internet reporting tool, as authorized by Section 15658, immediately or as soon as practicably possible. If reported by telephone, a written report shall be sent, or an Internet report shall be made through the confidential Internet reporting tool established in Section 15658, within two working days, as follows:

(A) If the abuse has occurred in a long-term care facility, except a state mental health hospital or a state developmental center, the report shall be made to the local ombudsperson or the local law enforcement agency.

The local ombudsperson and the local law enforcement agency shall, as soon as practicable, except in the case of an emergency or pursuant to a report required to be made pursuant to clause (v), in which case these actions shall be taken immediately, do all of the following:

(i) Report to the State Department of Public Health any case of known or suspected abuse occurring in a long-term health care facility, as defined in subdivision (a) of Section 1418 of the Health and Safety Code.

(ii) Report to the State Department of Social Services any case of known or suspected abuse occurring in a residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or in an adult day care facility, as defined in paragraph (2) of subdivision (a) of Section 1502.

(iii) Report to the State Department of Public Health and the California Department of Aging any case of known or suspected abuse occurring in an adult day health care center, as defined in subdivision (b) of Section 1570.7 of the Health and Safety Code.

(iv) Report to the Bureau of Medi-Cal Fraud and Elder Abuse any case of known or suspected criminal activity.

(v) Report all cases of known or suspected physical abuse and financial abuse to the local district attorney's office in the county where the abuse occurred.

(B) If the suspected or alleged abuse occurred in a state mental hospital or a state developmental center, the report shall be made to designated investigators of the State Department of Mental Health or the State Department of Developmental Services, or to the local law enforcement agency.

Except in an emergency, the local law enforcement agency shall, as soon as practicable, report any case of known or suspected criminal activity to the Bureau of Medi-Cal Fraud and Elder Abuse.

(C) If the abuse has occurred any place other than one described in subparagraph (A), the report shall be made to the adult protective services agency or the local law enforcement agency.

(2) (A) A mandated reporter who is a clergy member who acquires knowledge or reasonable suspicion of elder or dependent adult abuse during a penitential communication is not subject to paragraph (1). For purposes of this subdivision, "penitential communication" means a communication

that is intended to be in confidence, including, but not limited to, a sacramental confession made to a clergy member who, in the course of the discipline or practice of his or her church, denomination, or organization is authorized or accustomed to hear those communications and under the discipline tenets, customs, or practices of his or her church, denomination, or organization, has a duty to keep those communications secret.

(B) Nothing in this subdivision shall be construed to modify or limit a clergy member's duty to report known or suspected elder and dependent adult abuse when he or she is acting in the capacity of a care custodian, health practitioner, or employee of an adult protective services agency.

(C) Notwithstanding any other provision in this section, a clergy member who is not regularly employed on either a full-time or part-time basis in a long-term care facility or does not have care or custody of an elder or dependent adult shall not be responsible for reporting abuse or neglect that is not reasonably observable or discernible to a reasonably prudent person having no specialized training or experience in elder or dependent care.

(3) (A) A mandated reporter who is a physician and surgeon, a registered nurse, or a psychotherapist, as defined in Section 1010 of the Evidence Code, shall not be required to report, pursuant to paragraph (1), an incident where all of the following conditions exist:

(i) The mandated reporter has been told by an elder or dependent adult that he or she has experienced behavior constituting physical abuse, as defined in Section 15610.63, abandonment, abduction, isolation, financial abuse, or neglect.

(ii) The mandated reporter is not aware of any independent evidence that corroborates the statement that the abuse has occurred.

(iii) The elder or dependent adult has been diagnosed with a mental illness or dementia, or is the subject of a court-ordered conservatorship because of a mental illness or dementia.

(iv) In the exercise of clinical judgment, the physician and surgeon, the registered nurse, or the psychotherapist, as defined in Section 1010 of the Evidence Code, reasonably believes that the abuse did not occur.

(B) This paragraph shall not be construed to impose upon mandated reporters a duty to investigate a known or suspected incident of abuse and shall not be construed to lessen or restrict any existing duty of mandated reporters.

(4) (A) In a long-term care facility, a mandated reporter shall not be required to report as a suspected incident of abuse, as defined in Section 15610.07, an incident where all of the following conditions exist:

(i) The mandated reporter is aware that there is a proper plan of care.

(ii) The mandated reporter is aware that the plan of care was properly provided or executed.

(iii) A physical, mental, or medical injury occurred as a result of care provided pursuant to clause (i) or (ii).

(iv) The mandated reporter reasonably believes that the injury was not the result of abuse.

(B) This paragraph shall not be construed to require a mandated reporter to seek, nor to preclude a mandated reporter from seeking, information regarding a known or suspected incident of abuse prior to reporting. This paragraph shall apply only to those categories of mandated reporters that the State Department of Public Health determines, upon approval by the Bureau of Medi-Cal Fraud and Elder Abuse and the state long-term care ombudsperson, have access to plans of care and have the training and experience necessary to determine whether the conditions specified in this section have been met.

(c) (1) Any mandated reporter who has knowledge, or reasonably suspects, that types of elder or dependent adult abuse for which reports are not mandated have been inflicted upon an elder or dependent adult, or that his or her emotional well-being is endangered in any other way, may report the known or suspected instance of abuse.

(2) If the suspected or alleged abuse occurred in a long-term care facility other than a state mental health hospital or a state developmental center, the report may be made to the long-term care ombudsperson program. Except in an emergency, the local ombudsperson shall report any case of known or suspected abuse to the State Department of Public Health and any case of known or suspected criminal activity to the Bureau of Medi-Cal Fraud and Elder Abuse, as soon as is practicable.

(3) If the suspected or alleged abuse occurred in a state mental health hospital or a state developmental center, the report may be made to the designated investigator of the State Department of Mental Health or the State Department of Developmental Services or to a local law enforcement agency or to the local ombudsperson. Except in an emergency, the local ombudsperson and the local law enforcement agency shall report any case of known or suspected criminal activity to the Bureau of Medi-Cal Fraud and Elder Abuse, as soon as is practicable.

(4) If the suspected or alleged abuse occurred in a place other than a place described in paragraph (2) or (3), the report may be made to the county adult protective services agency.

(5) If the conduct involves criminal activity not covered in subdivision (b), it may be immediately reported to the appropriate law enforcement agency.

(d) When two or more mandated reporters are present and jointly have knowledge or reasonably suspect that types of abuse of an elder or a dependent adult for which a report is or is not mandated have occurred, and when there is agreement among them, the telephone report or Internet report, as authorized by Section 15658, may be made by a member of the team selected by mutual agreement, and a single report may be made and signed by the selected member of the reporting team. Any member who has knowledge that the member designated to report has failed to do so shall thereafter make the report.

(e) A telephone report or Internet report, as authorized by Section 15658, of a known or suspected instance of elder or dependent adult abuse shall include, if known, the name of the person making the report, the name and

age of the elder or dependent adult, the present location of the elder or dependent adult, the names and addresses of family members or any other adult responsible for the elder's or dependent adult's care, the nature and extent of the elder's or dependent adult's condition, the date of the incident, and any other information, including information that led that person to suspect elder or dependent adult abuse, as requested by the agency receiving the report.

(f) The reporting duties under this section are individual, and no supervisor or administrator shall impede or inhibit the reporting duties, and no person making the report shall be subject to any sanction for making the report. However, internal procedures to facilitate reporting, ensure confidentiality, and apprise supervisors and administrators of reports may be established, provided they are not inconsistent with this chapter.

(g) (1) Whenever this section requires a county adult protective services agency to report to a law enforcement agency, the law enforcement agency shall, immediately upon request, provide a copy of its investigative report concerning the reported matter to that county adult protective services agency.

(2) Whenever this section requires a law enforcement agency to report to a county adult protective services agency, the county adult protective services agency shall, immediately upon request, provide to that law enforcement agency a copy of its investigative report concerning the reported matter.

(3) The requirement to disclose investigative reports pursuant to this subdivision shall not include the disclosure of social services records or case files that are confidential, nor shall this subdivision be construed to allow disclosure of any reports or records if the disclosure would be prohibited by any other provision of state or federal law.

(h) Failure to report, or impeding or inhibiting a report of, physical abuse, as defined in Section 15610.63, abandonment, abduction, isolation, financial abuse, or neglect of an elder or dependent adult, in violation of this section, is a misdemeanor, punishable by not more than six months in the county jail, by a fine of not more than one thousand dollars (\$1,000), or by both that fine and imprisonment. Any mandated reporter who willfully fails to report, or impedes or inhibits a report of, physical abuse, as defined in Section 15610.63, abandonment, abduction, isolation, financial abuse, or neglect of an elder or dependent adult, in violation of this section, where that abuse results in death or great bodily injury, shall be punished by not more than one year in a county jail, by a fine of not more than five thousand dollars (\$5,000), or by both that fine and imprisonment. If a mandated reporter intentionally conceals his or her failure to report an incident known by the mandated reporter to be abuse or severe neglect under this section, the failure to report is a continuing offense until a law enforcement agency specified in paragraph (1) of subdivision (b) of Section 15630 discovers the offense.

(i) For purposes of this section, "dependent adult" shall have the same meaning as in Section 15610.23.

SEC. 2. Section 15630.1 of the Welfare and Institutions Code is amended to read:

15630.1. (a) As used in this section, “mandated reporter of suspected financial abuse of an elder or dependent adult” means all officers and employees of financial institutions.

(b) As used in this section, the term “financial institution” means any of the following:

(1) A depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)).

(2) An institution-affiliated party, as defined in Section 3(u) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(u)).

(3) A federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. Sec. 1752), including, but not limited to, an institution-affiliated party of a credit union, as defined in Section 206(r) of the Federal Credit Union Act (12 U.S.C. Sec. 1786(r)).

(c) As used in this section, “financial abuse” has the same meaning as in Section 15610.30.

(d) (1) Any mandated reporter of suspected financial abuse of an elder or dependent adult who has direct contact with the elder or dependent adult or who reviews or approves the elder or dependent adult’s financial documents, records, or transactions, in connection with providing financial services with respect to an elder or dependent adult, and who, within the scope of his or her employment or professional practice, has observed or has knowledge of an incident, that is directly related to the transaction or matter that is within that scope of employment or professional practice, that reasonably appears to be financial abuse, or who reasonably suspects that abuse, based solely on the information before him or her at the time of reviewing or approving the document, record, or transaction in the case of mandated reporters who do not have direct contact with the elder or dependent adult, shall report the known or suspected instance of financial abuse by telephone or through a confidential Internet reporting tool, as authorized pursuant to Section 15658, immediately, or as soon as practicably possible. If reported by telephone, a written report shall be sent, or an Internet report shall be made through the confidential Internet reporting tool established in Section 15658, within two working days to the local adult protective services agency or the local law enforcement agency.

(2) When two or more mandated reporters jointly have knowledge or reasonably suspect that financial abuse of an elder or a dependent adult for which the report is mandated has occurred, and when there is an agreement among them, the telephone report or Internet report, as authorized by Section 15658, may be made by a member of the reporting team who is selected by mutual agreement. A single report may be made and signed by the selected member of the reporting team. Any member of the team who has knowledge that the member designated to report has failed to do so shall thereafter make that report.

(3) If the mandated reporter knows that the elder or dependent adult resides in a long-term care facility, as defined in Section 15610.47, the

report shall be made to the local ombudsman or local law enforcement agency.

(e) An allegation by the elder or dependent adult, or any other person, that financial abuse has occurred is not sufficient to trigger the reporting requirement under this section if both of the following conditions are met:

(1) The mandated reporter of suspected financial abuse of an elder or dependent adult is aware of no other corroborating or independent evidence of the alleged financial abuse of an elder or dependent adult. The mandated reporter of suspected financial abuse of an elder or dependent adult is not required to investigate any accusations.

(2) In the exercise of his or her professional judgment, the mandated reporter of suspected financial abuse of an elder or dependent adult reasonably believes that financial abuse of an elder or dependent adult did not occur.

(f) Failure to report financial abuse under this section shall be subject to a civil penalty not exceeding one thousand dollars (\$1,000) or if the failure to report is willful, a civil penalty not exceeding five thousand dollars (\$5,000), which shall be paid by the financial institution that is the employer of the mandated reporter to the party bringing the action. Subdivision (h) of Section 15630 shall not apply to violations of this section.

(g) (1) The civil penalty provided for in subdivision (f) shall be recovered only in a civil action brought against the financial institution by the Attorney General, district attorney, or county counsel. No action shall be brought under this section by any person other than the Attorney General, district attorney, or county counsel. Multiple actions for the civil penalty may not be brought for the same violation.

(2) Nothing in the Financial Elder Abuse Reporting Act of 2005 shall be construed to limit, expand, or otherwise modify any civil liability or remedy that may exist under this or any other law.

(h) As used in this section, "suspected financial abuse of an elder or dependent adult" occurs when a person who is required to report under subdivision (a) observes or has knowledge of behavior or unusual circumstances or transactions, or a pattern of behavior or unusual circumstances or transactions, that would lead an individual with like training or experience, based on the same facts, to form a reasonable belief that an elder or dependent adult is the victim of financial abuse as defined in Section 15610.30.

(i) Reports of suspected financial abuse of an elder or dependent adult made by an employee or officer of a financial institution pursuant to this section are covered under subdivision (b) of Section 47 of the Civil Code.

(j) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

SEC. 2.5. Section 15630.1 of the Welfare and Institutions Code is amended to read:

15630.1. (a) As used in this section, “mandated reporter of suspected financial abuse of an elder or dependent adult” means all officers and employees of financial institutions.

(b) As used in this section, the term “financial institution” means any of the following:

(1) A depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)).

(2) An institution-affiliated party, as defined in Section 3(u) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(u)).

(3) A federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. Sec. 1752), including, but not limited to, an institution-affiliated party of a credit union, as defined in Section 206(r) of the Federal Credit Union Act (12 U.S.C. Sec. 1786(r)).

(c) As used in this section, “financial abuse” has the same meaning as in Section 15610.30.

(d) (1) Any mandated reporter of suspected financial abuse of an elder or dependent adult who has direct contact with the elder or dependent adult or who reviews or approves the elder or dependent adult’s financial documents, records, or transactions, in connection with providing financial services with respect to an elder or dependent adult, and who, within the scope of his or her employment or professional practice, has observed or has knowledge of an incident, that is directly related to the transaction or matter that is within that scope of employment or professional practice, that reasonably appears to be financial abuse, or who reasonably suspects that abuse, based solely on the information before him or her at the time of reviewing or approving the document, record, or transaction in the case of mandated reporters who do not have direct contact with the elder or dependent adult, shall report the known or suspected instance of financial abuse by telephone or through a confidential Internet reporting tool, as authorized pursuant to Section 15658, immediately, or as soon as practicably possible. If reported by telephone, a written report shall be sent, or an Internet report shall be made through the confidential Internet reporting tool established in Section 15658, within two working days to the local adult protective services agency or the local law enforcement agency.

(2) When two or more mandated reporters jointly have knowledge or reasonably suspect that financial abuse of an elder or a dependent adult for which the report is mandated has occurred, and when there is an agreement among them, the telephone report or Internet report, as authorized by Section 15658, may be made by a member of the reporting team who is selected by mutual agreement. A single report may be made and signed by the selected member of the reporting team. Any member of the team who has knowledge that the member designated to report has failed to do so shall thereafter make that report.

(3) If the mandated reporter knows that the elder or dependent adult resides in a long-term care facility, as defined in Section 15610.47, the report shall be made to the local ombudsman or local law enforcement agency.

(e) An allegation by the elder or dependent adult, or any other person, that financial abuse has occurred is not sufficient to trigger the reporting requirement under this section if both of the following conditions are met:

(1) The mandated reporter of suspected financial abuse of an elder or dependent adult is aware of no other corroborating or independent evidence of the alleged financial abuse of an elder or dependent adult. The mandated reporter of suspected financial abuse of an elder or dependent adult is not required to investigate any accusations.

(2) In the exercise of his or her professional judgment, the mandated reporter of suspected financial abuse of an elder or dependent adult reasonably believes that financial abuse of an elder or dependent adult did not occur.

(f) Failure to report financial abuse under this section shall be subject to a civil penalty not exceeding one thousand dollars (\$1,000) or if the failure to report is willful, a civil penalty not exceeding five thousand dollars (\$5,000), which shall be paid by the financial institution that is the employer of the mandated reporter to the party bringing the action. Subdivision (h) of Section 15630 shall not apply to violations of this section.

(g) (1) The civil penalty provided for in subdivision (f) shall be recovered only in a civil action brought against the financial institution by the Attorney General, district attorney, or county counsel. No action shall be brought under this section by any person other than the Attorney General, district attorney, or county counsel. Multiple actions for the civil penalty may not be brought for the same violation.

(2) Nothing in the Financial Elder Abuse Reporting Act of 2005 shall be construed to limit, expand, or otherwise modify any civil liability or remedy that may exist under this or any other law.

(h) As used in this section, "suspected financial abuse of an elder or dependent adult" occurs when a person who is required to report under subdivision (a) observes or has knowledge of behavior or unusual circumstances or transactions, or a pattern of behavior or unusual circumstances or transactions, that would lead an individual with like training or experience, based on the same facts, to form a reasonable belief that an elder or dependent adult is the victim of financial abuse as defined in Section 15610.30.

(i) Reports of suspected financial abuse of an elder or dependent adult made by an employee or officer of a financial institution pursuant to this section are covered under subdivision (b) of Section 47 of the Civil Code.

SEC. 3. Section 15658 of the Welfare and Institutions Code is amended to read:

15658. (a) A written abuse report required by this chapter, shall be submitted in one of the following ways:

(1) On a form adopted by the State Department of Social Services after consultation with representatives of the various law enforcement agencies, the California Department of Aging, the State Department of Developmental Services, the State Department of Mental Health, the bureau, professional medical and nursing agencies, hospital associations, and county welfare

departments. These reporting forms shall be distributed by the county adult protective services agencies and the long-term care ombudsman programs. This reporting form may also be used for documenting the telephone report of a known or suspected instance of abuse of an elder or dependent adult by the county adult protective services agency, local ombudsman program, and local law enforcement agencies.

(2) Through a confidential Internet reporting tool, if the county or long-term care ombudsman program chooses to implement such a system. This Internet reporting tool shall be developed and implemented in a manner that ensures the confidentiality and security of all information contained in the reports, pursuant to the confidentiality standards set forth in Sections 10850, 15633, and 15633.5.

(A) A county or long-term care ombudsman program that chooses to implement this system shall report to the Assembly Committee on Aging and Long-Term Care, the Assembly Committee on Human Services, the Senate Committee on Human Services, the Assembly Committee on Public Safety, and the Senate Committee on Public Safety one year after full implementation. The report shall include changes in the number of mandated reporters reporting through the confidential Internet reporting tool, changes in the number of abandoned calls, and any other quantitative or qualitative data that indicates the success, or lack thereof, in employing a confidential Internet reporting tool to better protect the safety and financial security of elder and dependent adults.

(B) Information sent and received through the confidential Internet reporting tool shall be used only for its intended purpose and shall be subject to the same confidentiality and privacy requirements that govern nonelectronic transmission of the same information, and that are set forth in Sections 10850, 15633, and 15633.5.

(b) The form required by this section and the confidential Internet reporting tool, if implemented, shall contain the following items:

(1) The name, address, telephone number, and occupation of the person reporting.

(2) The name and address of the victim.

(3) The date, time, and place of the incident.

(4) Other details, including the reporter's observations and beliefs concerning the incident.

(5) Any statement relating to the incident made by the victim.

(6) The name of any individuals believed to have knowledge of the incident.

(7) The name of the individuals believed to be responsible for the incident and their connection to the victim.

(c) (1) Each county adult protective services agency shall report to the State Department of Social Services monthly on the reports received pursuant to this chapter. The reports shall be made on forms adopted by the department. The information reported shall include, but shall not be limited to, the number of incidents of abuse, the number of persons abused, the type

of abuse sustained, and the actions taken on the reports. For purposes of these reports, sexual abuse shall be reported separately from physical abuse.

(2) The county's report to the department shall not include reports it receives from the long-term care ombudsman program pursuant to subdivision (d).

(3) The department shall refer to the bureau monthly data summaries of the reports of elder and dependent adult abuse, neglect, abandonment, isolation, financial abuse, and other abuse it receives from county adult protective services agencies.

(d) Each long-term care ombudsman program shall report to the Office of the State Long-Term Care Ombudsman of the California Department of Aging monthly on the reports it receives pursuant to this chapter and shall send a copy to the county adult protective services agency. The Office of the State Long-Term Care Ombudsman shall submit a summarized quarterly report to the department based on the monthly reports submitted by local long-term care ombudsman programs. The reports shall be on forms adopted by the department and the Office of the State Long-Term Care Ombudsman. The information reported shall include, but shall not be limited to, the number of incidents of abuse, the numbers of persons abused, the type of abuse, and the actions taken on the reports. For purposes of these reports, sexual abuse shall be reported separately from physical abuse.

SEC. 4. Section 2.5 of this bill incorporates amendments to Section 15630.1 of the Welfare and Institutions Code proposed by both this bill and Senate Bill 33. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2012, (2) each bill amends Section 15630.1 of the Welfare and Institutions Code, and (3) this bill is enacted after Senate Bill 33, in which case Section 2 of this bill shall not become operative.

Attachment B



Orange County Fire Authority Monthly Report November, 2012 Update

SRA FEES

The “fire tax” (Budget Trailer bill ABX1 29) signed into law in 2011 imposed a fee on all habitable properties located within a State Responsibility Area (SRA). The fee is \$150 for most properties, however, if a property owner already pays other taxes or assessments, then the fee is reduced to \$115. Under the authorizing emergency regulation approved by the Board of Forestry and Fire Protection (Board), the Board of Equalization (BOE) has begun sending out bills for the new fire fee. The fee bills have generated numerous complaints as many residents already pay local taxes for fire services and see the fee as an unreasonable tax. In October, The Howard Jarvis Taxpayers Association filed a lawsuit in Superior Court in Sacramento challenging the validity of the SRA fee. The class action complaint was filed against the Board and the BOE challenging the constitutionality of the fee on the grounds it is a tax that required a two-thirds vote in the Legislature, but was approved only by a simple majority.

The BOE reports that an implementation problem has caused some properties to be double-billed. The BOE is recommending that people receiving two bills appeal both, but only pay the one that is believed to be correct. The BOE also noted that there currently is a 32 percent noncompliance rate with the tax. The noncompliance estimates before implementation of the tax were between 7 percent and 8 percent.

The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, local governments and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding.

The Board is in the process of making permanent the emergency regulations that will continue the implementation of the SRA Fee program and has scheduled a public hearing December 5, 2012.

STATE BUDGET ACTIONS

The State Controller reported the state’s revenue in October came in \$207.9 million (4.4 percent) above projections contained in the 2012-13 budget. However, the state continues to face a \$24.7 billion cash deficit. Also, the Legislative Analyst Office (LAO) released its fiscal outlook and forecasts only a \$1.9 billion budget gap next year. The LAO cites several key factors that contributed to the turnaround – an improving state economy, prior budget cuts, and the passage of the Proposition 30

tax measure. The LAO's fiscal outlook contains a surplus of \$1 billion in 2014 and that is expected to grow to more than \$9 billion in 2017. These numbers are a sharp decline from what California confronted in previous years, \$13 billion in 2011, \$25.4 billion in 2010, and at its peak in 2009, \$42 billion.

The release of the LAO's fiscal outlook is the official start of the budget season. The Governor will release his own budget proposal, including his estimate of the state's deficit, in January. Lawmakers will then have until mid-June to pass a spending plan for the fiscal year that begins July 1.

PROPOSITIONS

The voters approved two state tax increase measures, Propositions 30 and 39.

Proposition 30, the Governor's Schools and Local Public Safety Protection Act won over Molly Munger's Proposition 38 tax proposal to fund education. Passage of Proposition 30's temporary taxes negated the need for \$6.1 billion in "trigger" cuts to education and developmental services. The measure also included constitutional protections for counties under the 2011 public Safety Realignment. The Governor estimates approximately \$8.5 billion in new revenues in 2012-13, with \$2.9 billion funding for schools and community colleges and a net increase of \$5.6 billion in General Fund revenues.

The electorate also voted to implement Proposition 39, requiring the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

The business-backed Proposition 32 was rejected by 56 percent of the voters. The proposal would have prohibited labor unions from spending members' dues for political purposes, forcing unions to seek voluntary donations for campaign spending.

LEGISLATURE

It appears that the Democrats have gained enough seats in the Legislature to hold a two-thirds supermajority in both the Senate and the Assembly. The 80-member Assembly will include 54 democrats, the number needed for a two-thirds vote, and 26 Republicans. In the 40-member Senate, there will be 29 Democrats (27 votes needed to reach the two-thirds threshold) and 11 Republicans.

The Senate will have nine new members. The Assembly will have 38 new members, which includes 3 races where incumbents are not returning. In a key Assembly race in Orange County, Republican Assemblyman Chris Norby was replaced by former Fullerton Mayor Sharon Quirk-Silva (D).

Assembly Democrats have re-elected Speaker John A. Perez as their leader and Assemblymember Connie Conway was re-elected as GOP leader. Senate President Pro Tem Darrell Steinberg is also expected to remain in his leadership role.

The Legislature convenes its 2013-14 Regular Session on December 3, 2012 for organizational and swearing in ceremonies. Bills may be introduced at that time. However, legislative business will not begin in earnest until January.



Orange County Fire Authority Monthly Report October, 2012 Update

SRA FEES

The "fire tax (Budget Trailer bill ABX1 29) signed into law in 2011 imposed a fee on all habitable properties located within a State Responsibility Area (SRA). The fee is \$150 for most properties, however, if a property owner already pays other taxes or assessments, then the fee is reduced to \$115. Although there were several attempts to repeal or modify the fee – Senator Ted Gaines (R) 2011 referendum, Assemblymember Kevin Jeffries (R) AB 1506 to repeal the SRA fee and Assemblymember Wesley Chesbro's (D) AB 2474 calling for an equitable implementation rate schedule – none were successful.

Under the authorizing emergency regulation approved by the Board of Forestry and Fire Prevention (Board), the Board of Equalization (BOE) has begun sending out bills for the new fire fee. The fee bills have generated numerous complaints as many residents already pay local taxes for fire services and see the fee as an unreasonable tax. The Howard Jarvis Taxpayers Association just filed a lawsuit in Superior Court in Sacramento challenging the validity of the SRA fee. The class action complaint was filed against the board and the BOE challenging the constitutionality of the fee on the grounds it is a tax that required a two-thirds vote in the Legislature, but was approved only by a simple majority.

The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding.

At its September meeting, the Board voted to approve the extension of the SRA emergency regulations which expire on October 23, 2012. The Board also voted to begin the process of making permanent the emergency regulations that will continue the implementation of the SRA Fee program and has scheduled a public hearing December 5, 2012.

LEGISLATION

The Legislature adjourned its 2011-12 Legislative Session, sine die, on August 31, 2012 and the Governor completed his actions by the September 30, 2012 deadline on those measures sent to him by the Legislature.

AB 1506 introduced by Assemblymember Kevin Jeffries (R) to repeal the SRA Fee failed passage in the Assembly Appropriations Committee. The staff analysis concluded repealing the fee would generate a revenue loss of approximately \$84

million in 2012-13 and General Fund costs of approximately \$78 million to fund fire prevention activities at CalFIRE and the California Conservation Corps.

AB 2474 (Chesbro-D) also failed passage in the Assembly Appropriations Committee. The measure declared that SRA fees should be implemented in an equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. Since many of the structures subject to the fire prevention fee are located in areas that already provide local fire protection services and would qualify for a lower rate, the fiscal effect would have substantially reduced the \$84 million in revenue to CalFIRE.

SB 1468 (Calderon-D), authorizing the sale of safe and sane fireworks between Christmas and New Year's Day in 2014-15 and 2015-16, failed passage in Senate Appropriations. Primary opposition to the bill was that the expanded sales would have resulted in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also required the permitted applicant to pay a fee that, among other things, would have covered the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California.

AB 1562 (Jeffries-R) authorizing CalFIRE to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention failed to pass the Legislature. The fiscal analysis concluded that although there were no direct costs to the state, by limiting contracting between counties and the state to those counties that currently operate a fire camp, AB 1562 could result in reduced utilization of existing beds, or expansion to new beds, thereby reducing state contract revenues and increasing state and local firefighting costs.

BUDGET ACTIONS/GOVERNOR'S INITIATIVE

On June 27, 2012, Governor Brown signed into law the state's 2012-13 budget and trailer bills implementing the budget. To address the current \$15.7 billion shortfall, the budget relied on spending reductions, tax increases and other solutions which included the passage of the Governor's proposed tax initiative. The Schools and Local Public Safety Protection Act (Proposition 30 on the November, 2012 General Election Ballot) includes a temporary quarter cent increase in the state sales tax for four years and increases the personal income tax for seven years on taxpayers earning more than \$250,000. The Governor estimates that the measure will generate approximately \$8.5 billion in new revenues in 2012-13, with \$2.9 billion funding for schools and community colleges and a net increase of \$5.6 billion in General Fund revenues.

If voters reject the Governor's initiative, the enacted budget calls for \$6.1 billion in "trigger" cuts that would go into effect on January 1, 2013. The trigger cuts would

primarily impact education, K-12 and higher education, and includes \$50 million in reductions to developmental services. The budget does not specify how the remaining \$2.4 billion would be absorbed.

A competing tax measure by Molly Munger is Proposition 38 on the November ballot. The "Our Children, Our Future: Local Schools and Early Education Investment and Bond Debt Reduction Act" would temporarily increase personal income tax rates for nearly all California taxpayers and allocate the new revenues to K-12 education, early childhood education, and repayment of state general obligation bond debt.

Another tax proposal sponsored by an environmental coalition also qualified for the November ballot over the Governor's objection. Proposition 39 requires the use of the "single sales factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

REDEVELOPMENT

Budget Trailer Bill AB 1484, signed into law by the Governor on June 27, 2012, modifies certain provisions within AB 26x, which dissolved the redevelopment agencies. AB 1484 addresses policies relating to the transfer of housing responsibilities associated with dissolved redevelopment agencies (RDAs) and redefines the term "housing asset." AB 1484 is very controversial as it gives the Department of Finance the ability to require withholding of successor agency's property and sales tax when there is a dispute over any particular claim.

On September 24, 2012, the League of California Cities filed a lawsuit in the Sacramento County Superior Court challenging AB 1484. The lawsuit contends that AB 1484 contains unconstitutional property and sales tax claw-back and other provisions that violate the California State Constitution, including both Proposition 1A (2004) and Proposition 22 (2010).

The state is saving far less money from the dissolution of redevelopment agencies than it projected according to figures just released from the Governor's Administration. Projecting \$3.1 billion in savings in the current fiscal year, current savings have only reached a total of \$371.7 million. The first wave of payments produced just \$238.7 million in savings, a little more than one-third of the \$685-million goal. There are still several rounds of payments left to go and the Administration is hopeful additional savings will be realized.

The Legislature sent to the Governor several measures addressing alternatives to redevelopment financing mechanisms for a variety of community development activities. Brown vetoed four stating that they were premature since the winding down of redevelopment was not yet complete. AB 345 (Torres-D) reformed, beginning January 1, 2018, how redevelopment agencies spend their funds for low-income housing, AB 2144 (Perez, J.-D) allowed cities and counties to create

Infrastructure Financing District (IFDs), SB 214 (Wolk-D) removed the voter approval requirement for a city or county to create an IFD, to issue bonds, and to set the appropriation limit, and SB 1156 (Steinberg-D) created the "Sustainable Community Investment Authorities," allowing cities and counties to finance specified activities within a sustainable communities investment area. The Governor did sign AB 1585 (Perez, J.-D) which allows the Department of Housing and Community Development to award \$50 million in infill and transit-oriented development programs.

PENSION REFORM

In the last hours of the 2012 Session, the Legislature approved AB 340 (Furutani), the Public Employee Pension Reform Act of 2013 (PEPRA). Signed by the Governor, PEPRA applies to all public employers and public pension plans on and after January 1, 2013. Excluded from the PEPRA requirements are the University of California and stand-alone, independent retirement plans offered by charter cities and counties that do not participate in the California Public Employees' Retirement System (CalPERS) or the 1937 Act County Retirement System requirements. Any plans approved by voters prior to the implementation of the PEPRA are not impacted. The PEPRA, among other provisions, caps pensionable salaries, establishes equal sharing of pension costs, rolls back retirement ages and formulas, eliminates most double dipping, and eliminates pension "spiking."

The Governor also signed AB 197 (Buchanan) which provides some technical clean-up to AB 340, clarifying provisions on member cost sharing and what constitutes compensation earnable income in calculating pension benefits.

WORKERS' COMPENSATION

A last minute deal between labor and some of the business community to reform worker's compensation resulted in legislation forwarded to the Governor that makes substantial reforms to the workers' compensation system. The central agreement involves an increase in permanent partial disability benefits phased in during 2013 and 2014 in return for a series of reforms that include substantial modifications to the process for resolving medical disputes, how benefits are calculated for injured workers, a binding arbitration process to resolve coverage disputes, and eliminates coverage for conditions that most commonly lead to lawsuits.

When Governor Brown signed SB 863, he praised the bipartisan support for reform and stated "These significant reforms save hundreds of millions of dollars for California's employers while preventing an imminent crisis of skyrocketing rates that would have hurt both injured workers and businesses."



Orange County Fire Authority Monthly Report September, 2012 Update

SRA FEES

On January 23rd, the Office of Administrative Law (OAL) approved an emergency regulation imposing a fee of up to \$150 assessed by the Board of Forestry and Fire Prevention (Board) on homes/structures in designated "State Responsibility Areas" to fund fire protection and prevention. OAL approved the Board's request to extend the emergency regulations for an additional 90 days and will expire on October 23, 2012. Meanwhile, the Board has promulgated its draft Permanent Fee Rule language for a 45-day comment period and held two hearings in May to solicit public comments.

The Board's Resource Protection Committee's September 11, 2012 meeting agenda includes a review of the permanent regulations for SRA fees and discussion of the current emergency regulations and possible recommendation to extend past October 23.

The enacted 2012-13 Budget included funding to CalFIRE and the state Board of Equalization for the administration of fees on structure owners.

The Board of Equalization (BOE) has begun sending out bills for the new fire fee, mailing the assessments in alphabetical order by county. The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding. The Howard Jarvis Taxpayers Association also opposes the fee on the basis it is an "illegal tax" and plans to file suit.

LEGISLATION

The Legislature adjourned its 2011-12 Legislative Session, sine die, on August 31, 2012. The Governor has until September 30, 2012 to act on those measures sent to him by the Legislature.

AB 1506 introduced by Assemblymember Kevin Jeffries (R) to repeal the SRA Fee failed passage in the Assembly Appropriations Committee. The staff analysis concluded repealing the fee would generate a revenue loss of approximately \$84 million in 2012-13 and General Fund costs of approximately \$78 million to fund fire prevention activities at CalFIRE and the California Conservation Corps.

AB 2474 (Chesbro-D) also failed passage in the Assembly Appropriations Committee. The measure declared that SRA fees should be implemented in an

equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. Since many of the structures subject to the fire prevention fee are located in areas that already provide local fire protection services and would qualify for a lower rate, the fiscal effect would have substantially reduced the \$84 million in revenue to CalFIRE.

SB 1468 (Calderon-D), authorizing the sale of safe and sane fireworks between Christmas and New Year's Day in 2014-15 and 2015-16, failed passage in Senate Appropriations. Primary opposition to the bill was that the expanded sales would have resulted in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also required the permitted applicant to pay a fee that, among other things, would have covered the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California.

AB 1562 (Jeffries-R) authorizing CalFIRE to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention failed to pass the Legislature. The fiscal analysis concluded that although there were no direct costs to the state, by limiting contracting between counties and the state to those counties that currently operate a fire camp, AB 1562 could result in reduced utilization of existing beds, or expansion to new beds, thereby reducing state contract revenues and increasing state and local firefighting costs.

BUDGET ACTIONS

On June 27, 2012, Governor Brown signed into law the state's 2012-13 budget and trailer bills implementing the budget. The \$91.3 billion general fund spending plan is predicated on the passage of the Governor's temporary tax increase initiative in November. If the initiative fails, the budget agreement would automatically "trigger" \$6 billion in spending reductions on January 1, 2013. Most of the reductions impact K-12 public schools, community colleges and universities, with additional cuts to developmental services and public safety.

GOVERNOR'S TAX MEASURE

As part of the 2012-13 budget plan, Governor Brown sponsored an initiative for the November, 2012 ballot to temporarily raise taxes to offset the budget deficit for 2012-13, estimated to be \$9.2 billion, to prevent further cuts to education.

In an effort to ensure that this initiative would appear first on the November ballot, the Governor signed AB 1499 which re-ordered the list of measures that appear on the ballot so that the ballot will start with measures that amend the constitution and authorize bonds. Since the Legislature delayed a vote on the on the state water

bond from this November until 2014, the Governor's tax increase initiative, a constitutional amendment, has currently been placed before all other propositions.

Molly Munger, author of a competing tax measure that qualified for the November ballot to fund K-12 public schools, immediately filed suit to block AB 1499 from taking effect. Sacramento Superior Court judge Michael Kenny rejected her suit, thus allowing the Governor's measure to appear first on the ballot. However, an appeal was filed by the Howard Jarvis Taxpayers Association. The Court of Appeal for the Third Appellate District has ordered Secretary of State Debra Bowen to reverse her action giving Governor Brown's tax hike preference or respond by July 30.

Another tax proposal also qualified for the November ballot over the Governor's objection. An environmental coalition sponsored an initiative which requires the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

REDEVELOPMENT

Redevelopment agencies (RDAs) were eliminated as of February 1, 2012. Successor agencies and their oversight boards are trying to sort through the process and there are efforts by the Governor and the Legislature to amend the law.

The Department of Finance has finished its work reviewing all of the Recognized Obligation Payments (ROPS) for the June 1, 2012 and the December 31, 2012 property tax allocation and has notified the successor agencies regarding its approved payments.

Budget Trailer Bill AB 1484 was recently signed into law by the Governor. The measure modifies certain provisions within AB 26x, which dissolved the redevelopment agencies. AB 1484 addresses policies relating to the transfer of housing responsibilities associated with dissolved RDAs and redefines the term "housing asset;" imposes new requirements for RDA successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule (ROPS); the return of funds improperly spent or transferred to a public entity; the offset of sales and use tax and property tax allocations to the local agency, and the review of the transfer of all assets and funds to a successor agency.

AB 1484 is very controversial, as it gives the Department of Finance the ability to require withholding of successor agency's property and sales tax when there is a dispute over any particular claim. There are rumors that the League of California Cities will sue over this.

Legislation addressing redevelopment functions sent to the Governor include:

Assembly Speaker John Perez (D) proposal to allow cities and counties to create Infrastructure Financing District (IFDs). AB 2144 allows bonds to pay for community scale public works (highways, transit, water systems, sewer projects, flood control, child care facilities, libraries, parks, and solid waste facilities) to be approved by a 55 percent vote. The bill will allow these new districts to approve tax-increment financing.

Republicans opposed AB 2144 because it removed the two-thirds vote protection and that it was an effort to reestablish redevelopment agencies. Democratic supporters of the bill said it had nothing to do with taxes, but allows a community to enter into bonds with a 55 percent vote level. Taxes would still be subject to all applicable laws. And, with the demise of redevelopment agencies, SB 2144 would restore local governments' ability to address blight, provide affordable housing and promote local economic development.

SB 214 (Wolk-D) removes the voter approval requirement for a city or county to create an IFD, to issue bonds, and to set the appropriation limit. SB 214 adds watershed lands used for the collection and treatment of water for urban uses; flood management, including levees, bypasses; and habitat restoration to the types of facilities an IFD can finance. The bill requires annual construction progress reports, prohibits big-box subsidies, and promotes the use of IFDs for Polanco Act clean-up, transit priority projects, and disadvantaged communities. Republicans argued that the measure would undermine the voters' ability to stop questionable projects during tough budget times.

SB 1156 (Steinberg-D) creates "Sustainable Community Investment Authorities," allowing cities and counties to finance specified activities within a sustainable communities investment area. SB 1156 authorizes the use of tax-increment financing, local transactions and use taxes, infrastructure financing districts, and the ability to leverage public pension fund investments. The Democrats backed SB 1156 as a means to fill the void in economic development policies created when redevelopment agencies were eliminated.

PENSION REFORM

With less than 96 hours left before the constitutional deadline to pass legislation, pension reform language emerged from the Conference Committee after months of private negotiations between Governor Brown, Democratic leaders, and public-employee unions. With the fast pace of information materializing, this office provided continuous updates as language, hearing information, and analyses became available.

The measure, AB 340, was presented to the Assembly and Senate as a conference committee report, rather than simply an amended bill, so it could not be amended by either house. On the last day of the legislative session, the Legislature passed AB 340, which makes considerable changes to pension benefits for new members hired

after January 1, 2013, as well as some changes that affect current employees. The Governor has indicated that he will sign the bill.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) applies to all public employers except the University of California, charter cities, and charter counties (except to the extent they contract with CalPERS). AB 340 also amends sections of the 1937 Act which impact those charter counties that have a 1937 Act retirement system. Thus, the only retirement systems not affected by AB 340 are the UC Retirement System and independent systems established by city or county charter. AB 340 establishes retirement formulas for new non-safety members and raises the retirement age from 55 to 67 and establishes retirement formulas for new safety members and raises the retirement age from 50 to 57. For local fire and police employees, the 3 percent at age 50 changes to 2.7 percent at age 57. It also caps benefits for new public employees who make more than \$110,000, eliminates pension "spiking," eliminates most double dipping, and forbids felons from collecting pensions.

WORKERS' COMPENSATION

A last minute deal between labor and some of the business community to reform worker's compensation resulted in legislation forwarded to the Governor that makes substantial reforms to the workers' compensation system. The central agreement involves an increase in permanent partial disability benefits phased in during 2013 and 2014 in return for a series of reforms that include substantial modifications to the process for resolving medical disputes, how benefits are calculated for injured workers, a binding arbitration process to resolve coverage disputes, and eliminates coverage for conditions that most commonly lead to lawsuits.

Governor Brown praised the bipartisan support for the legislation and said it "helps injured workers and averts an imminent crisis of skyrocketing rates." The Governor's signing ceremony is scheduled for September 12 in Los Angeles.



Orange County Fire Authority Monthly Report August, 2012 Update

SRA FEES

On January 23rd, the Office of Administrative Law (OAL) approved an emergency regulation imposing a fee of up to \$150 assessed by the Board of Forestry and Fire Prevention (Board) on homes/structures in designated "State Responsibility Areas" to fund fire protection and prevention. OAL just approved the Board's request to extend the emergency regulations for an additional 90 days and will expire on October 23, 2012. Meanwhile, the Board has promulgated its draft Permanent Fee Rule language for a 45-day comment period and held two hearings in May to solicit public comments. Additional off-site hearings for public comment will be scheduled and the regulations are likely to be heard for adoption at the Board's August 8, 2012 meeting.

The enacted 2012-13 Budget included funding to CalFIRE and the state Board of Equalization for the administration of fees on structure owners.

The Board of Equalization (BOE) will begin sending out bills for the new fire fee in August and will likely take into October to mail out the almost 800,000 bills. The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding. The Howard Jarvis Taxpayers Association also opposes the fee on the basis it is an "illegal tax" and is expected to sue after the first bills are distributed.

The BOE in early August, at the urging of member George Runner, began sending out "advance notices" alerting those affected by the fee to watch for their bill. The Board, at its August 8 hearing, criticized the notices as misleading citing, among other issues, and image of a firefighter spraying water on burning brush - depicting suppression, not prevention. The Board has emphasized that the revenue would be spent only on fire-prevention programs.

LEGISLATION

The Legislature reconvened from its month-long summer recess on August 6. They have until August 31 to complete legislative work before the 2011-12 Session is adjourned sine die.

In an attempt to repeal the SRA fee, Assembly Member Jeffries (R) introduced AB 1506. The measure is dead, held under submission by the Assembly Appropriations Committee. The staff analysis concluded repealing the fee would generate a revenue

loss of approximately \$84 million in 2012-13 and General Fund costs of approximately \$78 million to fund fire prevention activities at CalFIRE and the California Conservation Corps.

The Assembly Appropriations Committee also held Assembly Member Chesbro's (D) AB 2474 under submission. The measure declared that SRA fees should be implemented in an equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. Since many of the structures subject to the fire prevention fee are located in areas that already provide local fire protection services and would qualify for a lower rate, the fiscal effect would have substantially reduced the \$84 million in revenue to CalFIRE.

SB 1468, now carried by Senator Ron Calderon (D), authorizing the sale of safe and sane fireworks between Christmas and New Year's Day in 2014-15 and 2015-16, was referred to the Senate Appropriations Suspense File. Senate Appropriations plans on taking up the Suspense File on August 16. The provision in the bill requiring a wholesaler to pay a fee to the State Fire Marshal which would be used to fund a study of the impact of the bill, has been stricken in order to avoid a 2/3rds vote. (Legislative Counsel concluded that the fee was actually a tax pursuant to Proposition 26.) Funding for the study will be provided by voluntary contributions from the fireworks industry. This amendment does not address the primary opposition position that expanded sales will result in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also requires the permitted applicant to pay a fee that, among other things, will cover the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California. The measure is sponsored by American Promotional Events.

AB 1562 (Jeffries-R) was held under submission by the Assembly Appropriations Committee; the measure is dead. The measure authorized CalFIRE to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention.

BUDGET ACTIONS

On June 27, 2012, Governor Brown signed into law the state's 2012-13 budget and trailer bills implementing the budget. The \$91.3 billion general fund spending plan is predicated on the passage of the Governor's temporary tax increase initiative in November. If the initiative fails, the budget agreement would automatically "trigger" \$6 billion in spending reductions on January 1, 2013. Most of the reductions impact K-12 public schools, community colleges and universities, with additional cuts to developmental services and public safety.

GOVERNOR'S TAX MEASURE

As part of the 2012-13 budget plan, Governor Brown sponsored an initiative for the November, 2012 ballot to temporarily raise taxes to offset the budget deficit for 2012-13, estimated to be \$9.2 billion, to prevent further cuts to education.

In an effort to ensure that this initiative would appear first on the November ballot, the Governor signed AB 1499 which re-ordered the list of measures that appear on the ballot so that the ballot will start with measures that amend the constitution and authorize bonds. Since the Legislature delayed a vote on the on the state water bond from this November until 2014, the Governor's tax increase initiative, a constitutional amendment, has currently been placed before all other propositions.

Molly Munger, author of a competing tax measure that qualified for the November ballot to fund K-12 public schools, immediately filed suit to block AB 1499 from taking effect. Sacramento Superior Court judge Michael Kenny rejected her suit, thus allowing the Governor's measure to appear first on the ballot. However, an appeal was filed by the Howard Jarvis Taxpayers Association. The Court of Appeal for the Third Appellate District has ordered Secretary of State Debra Bowen to reverse her action giving Governor Brown's tax hike preference or respond by July 30.

Another tax proposal also qualified for the November ballot over the Governor's objection. An environmental coalition sponsored an initiative which requires the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

REDEVELOPMENT

Redevelopment agencies (RDAs) were eliminated as of February 1, 2012. Successor agencies and their oversight boards are trying to sort through the process and there are efforts by the Governor and the Legislature to amend the law.

The Department of Finance has finished its work reviewing all of the Recognized Obligation Payments (ROPS) for the June 1, 2012 and the December 31, 2012 property tax allocation and has notified the successor agencies regarding its approved payments.

Budget Trailer Bill AB 1484 was recently signed into law by the Governor. The measure modifies certain provisions within AB 26x, which dissolved the redevelopment agencies. AB 1484 addresses policies relating to the transfer of housing responsibilities associated with dissolved RDAs and redefines the term "housing asset;" imposes new requirements for RDA successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule (ROPS); the return of funds improperly spent or transferred to a public entity; the offset of sales and

use tax and property tax allocations to the local agency, and the review of the transfer of all assets and funds to a successor agency.

The legislation is very controversial, as it gives the Department of Finance the ability to require withholding of successor agency's property and sales tax when there is a dispute over any particular claim. There are rumors that the League of California Cities will sue over this.

PENSION REFORM

Last fall, the Governor proposed a 12-point state and local government retirement reform plan as a constitutional amendment. The plan includes provisions that raise the retirement age to match Social Security and moves new workers to a hybrid system in which defined benefits are combined with a 401(k) plan widely used in the private sector. Republican legislators embraced the Governor's plan introducing bills that mirrored his reforms. The Governor's, Republican's, and Democratic proposals became a catalyst for public pension policy debates and the Legislature convened a special Conference Committee on Public Employee Pensions, co-chaired by Senator Negrete McLeod (D) and Assemblymember Furutani (R). The Democrats did not send their plan to Governor until the first of July and have not made it public. However, they have publicly stated that they want to allow workers to retire before age 67 at reduced pension rates and do not support a defined contribution plan that places some of the risk on employees. The Governor, having concerns with the counterproposal sent to him, could not reach a compromise with the Democrats before the Legislature adjourned for Summer Recess.

The deadline has passed for the Legislature to put Brown's call for a constitutional amendment on his 12-point pension reform plan on November's ballot and without buy-in from the Republicans and Democrats, obtaining a 2/3rds vote is out of reach.

The Governor continues to push for statutory changes and has asked the Legislature to work with him over the recess to resolve the substantial differences. Both the Senate Pro Tem Steinberg and Assembly Speaker Perez have indicated that pension reform will be done before the end of session.

Senate President Pro Tem Steinberg has stated there will definitely be public pension legislation by session end. Issues still under negotiation are the kind of cap, implementation of a hybrid system, the extent to which all of these changes apply to local governments, and what parts and what is left to collective bargaining at the local level. According to Steinberg, pre-emption is not an issue.

WORKERS' COMPENSATION

A deal is at hand between labor and some of the business community to reform worker's compensation. Legislation has not yet been introduced; however, the proposal that is currently circulating includes increased payments to permanently

injured workers and places limits on the fees that can be charged in processing claims. Last year, Governor Brown vetoed several workers' compensation bills because he wanted to see comprehensive changes to the system, not a piecemeal approach. The Administration's position has been that any increase in benefits needs to come from savings generated elsewhere in the system as part of a comprehensive reform package.

The Senate Labor and Industrial Relations Committee have scheduled an informational hearing on workers' compensation reform for Wednesday, August 15.



Orange County Fire Authority Monthly Report July 2012 Update

SRA FEES

On January 23rd, the Office of Administrative Law (OAL) approved an emergency regulation imposing a fee of up to \$150 assessed by the Board of Forestry and Fire Prevention (Board) on homes/structures in designated "State Responsibility Areas" to fund fire protection and prevention. OAL just approved the Board's request to extend the emergency regulations for an additional 90 days and will expire on October 23, 2012. Meanwhile, the Board has promulgated its draft Permanent Fee Rule language for a 45-day comment period and held two hearings in May to solicit public comments. Additional off-site hearings for public comment will be scheduled and the regulations are likely to be heard for adoption at the Board's August 8, 2012 meeting.

The enacted 2012-13 Budget included funding to CalFIRE and the state Board of Equalization for the administration of fees on structure owners.

It is anticipated the Board of Equalization (BOE) will start sending out bills for the new fire fee August 7 and would likely take into October to send out the almost 800,000 bills. The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding. The Howard Jarvis Taxpayers Association also opposes the fee on the basis it is an "illegal tax" and is expected to sue after the first bills are distributed.

LEGISLATION

In an attempt to repeal the SRA fee, Assembly Member Jeffries (R) introduced AB 1506. The measure is dead, held under submission by the Assembly Appropriations Committee. The staff analysis concluded repealing the fee would generate a revenue loss of approximately \$84 million in 2012-13 and General Fund costs of approximately \$78 million to fund fire prevention activities at CalFIRE and the California Conservation Corps.

The Assembly Appropriations Committee also held Assembly Member Chesbro's (D) AB 2474 under submission. The measure declared that SRA fees should be implemented in an equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. Since many of the structures subject to the fire prevention fee are located in areas that already provide local fire protection services and would

qualify for a lower rate, the fiscal effect would have substantially reduced the \$84 million in revenue to CalFIRE.

SB 1468, now carried by Senator Ron Calderon (D), authorizing the sale of safe and sane fireworks between Christmas and New Year's Day in 2014-15 and 2015-16, is scheduled to be heard in Assembly Appropriations on August 8. The provision in the bill requiring a wholesaler to pay a fee to the State Fire Marshal which would be used to fund a study of the impact of the bill, has been stricken in order to avoid a 2/3rds vote. (Legislative Counsel concluded that the fee was actually a tax pursuant to Proposition 26.) Funding for the study will be provided by voluntary contributions from the fireworks industry. This amendment does not address the primary opposition position that expanded sales will result in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also requires the permitted applicant to pay a fee that, among other things, will cover the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California. The measure is sponsored by American Promotional Events.

AB 1562 (Jeffries-R) was held under submission by the Assembly Appropriations Committee; the measure is dead. The measure authorized CalFIRE to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention.

BUDGET ACTIONS

On June 27, 2012, Governor Brown signed into law the state's 2012-13 budget and trailer bills implementing the budget. The \$91.3 billion general fund spending plan is predicated on the passage of the Governor's temporary tax increase initiative in November. If the initiative fails, the budget agreement would automatically "trigger" \$6 billion in spending reductions on January 1, 2013. Most of the reductions impact K-12 public schools, community colleges and universities, with additional cuts to developmental services and public safety.

GOVERNOR'S TAX MEASURE

As part of the 2012-13 budget plan, Governor Brown sponsored an initiative for the November, 2012 ballot to temporarily raise taxes to offset the budget deficit for 2012-13, estimated to be \$9.2 billion, to prevent further cuts to education.

In an effort to ensure that this initiative would appear first on the November ballot, the Governor signed AB 1499 which re-ordered the list of measures that appear on the ballot so that the ballot will start with measures that amend the constitution and authorize bonds. Since the Legislature delayed a vote on the on the state water bond from this November until 2014, the Governor's tax increase initiative, a constitutional amendment, has currently been placed before all other propositions.

Molly Munger, author of a competing tax measure that qualified for the November ballot to fund K-12 public schools, immediately filed suit to block AB 1499 from taking effect. Sacramento Superior Court judge Michael Kenny rejected her suit, thus allowing the Governor's measure to appear first on the ballot. However, an appeal was filed by the Howard Jarvis Taxpayers Association. The Court of Appeal for the Third Appellate District has ordered Secretary of State Debra Bowen to reverse her action giving Governor Brown's tax hike preference or respond by July 30.

Another tax proposal also qualified for the November ballot over the Governor's objection. An environmental coalition sponsored an initiative which requires the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

REDEVELOPMENT

Redevelopment agencies (RDAs) were eliminated as of February 1, 2012. Successor agencies and their oversight boards are trying to sort through the process and there are efforts by the Governor and the Legislature to amend the law.

The Department of Finance has finished its work reviewing all of the Recognized Obligation Payments (ROPS) for the June 1, 2012 and the December 31, 2012 property tax allocation and has notified the successor agencies regarding its approved payments.

Budget Trailer Bill AB 1484 was recently signed into law by the Governor. The measure modifies certain provisions within AB 26x, which dissolved the redevelopment agencies. AB 1484 addresses policies relating to the transfer of housing responsibilities associated with dissolved RDAs and redefines the term "housing asset;" imposes new requirements for RDA successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule (ROPS); the return of funds improperly spent or transferred to a public entity; the offset of sales and use tax and property tax allocations to the local agency, and the review of the transfer of all assets and funds to a successor agency.

The legislation is very controversial as it gives the Department of Finance the ability to require withholding of successor agency's property and sales tax when there is a dispute over any particular claim. There are rumors that the League of California Cities will sue over this.

PENSION REFORM

Last fall, the Governor proposed a 12-point state and local government retirement reform plan as a constitutional amendment. The plan includes provisions that raise the retirement age to match Social Security and moves new workers to a hybrid

system in which defined benefits are combined with a 401(k) plan widely used in the private sector. Republican legislators embraced the Governor's plan introducing bills that mirrored his reforms. The Governor's, Republican's, and Democratic proposals became a catalyst for public pension policy debates and the Legislature convened a special Conference Committee on Public Employee Pensions, co-chaired by Senator Negrete McLeod (D) and Assemblymember Furutani (R). The Democrats did not send their plan to Governor until the first of July and have not made it public. However, they have publicly stated that they want to allow workers to retire before age 67 at reduced pension rates and do not support a defined contribution plan that places some of the risk on employees. The Governor, having concerns with the counterproposal sent to him, could not reach a compromise with the Democrats before the Legislature adjourned for Summer Recess.

The deadline has passed for the Legislature to put Brown's call for a constitutional amendment on his 12-point pension reform plan on November's ballot and without buy-in from the Republicans and Democrats, obtaining a 2/3rds vote is out of reach.

The Governor continues to push for statutory changes and has asked the Legislature to work with him over the recess to resolve the substantial differences. Both the Senate Pro Tem Steinberg and Assembly Speaker Perez have indicated that pension reform will be done before the end of session.



Orange County Fire Authority Monthly Report June, 2012 Update

SRA FEES

On January 23rd, the Office of Administrative Law approved an emergency regulation imposing a fee of up to \$150 assessed by the Board of Forestry and Fire Prevention (Board) on homes/structures in designated "State Responsibility Areas" to fund fire protection and prevention. The emergency regulations have been extended for another 90 days. The Board has promulgated its draft Permanent Fee Rule language and held two hearings in May to solicit public comments.

The Governor remains committed to imposing the SRA fee with funding in his proposed 2012-13 budget to cover CAL FIRE and BOE's administrative costs. Assembly Budget Subcommittee #4, State Administration, approved the administrative funding as two-year limited-term positions, and the Senate Budget Subcommittee #4, State Administration and General Government, held the issue for further discussion. At this time, no language is available.

It is anticipated the Board of Equalization (BOE) will start sending out bills for the new fire fee August 7 and would likely take into October to send out the almost 800,000 bills. The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations, and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding. The Howard Jarvis Taxpayers Association also opposes the fee on the basis it is an "illegal tax" and is expected to sue after the first bills are distributed.

LEGISLATION

Assembly Member Jeffries (R) has introduced AB 1506, a bill to repeal the SRA fee. The measure was held by the Assembly Appropriations Committee on its Suspend File. Since the Administration estimates the SRA fee will generate up to \$84 million, it is not likely AB 1506 will move off the Suspend File.

Assembly Member Chesbro's (D) AB 2474, amended April 25, 2012, declares that SRA fees should be implemented in an equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. The Assembly Appropriations Committee also held this measure on its Suspend File.

Senator Ted Gaines (R) introduced SB 1468, a measure that authorizes the sale of safe and sane fireworks from December 26 to midnight of January 1 of the following year, as specified. (Since its introduction, the bill has been turned over to Senator

Ron Calderon (D)) The provision in the bill requiring a wholesaler to pay a fee to the State Fire Marshal which would be used to fund a study of the impact of the bill, is being stricken in order to avoid the bill requiring a 2/3s vote. (Legislative Counsel concluded that the fee was actually a tax pursuant to Proposition 26.) Funding for the study will be provided by "private donations." This amendment will not address the primary opposition position that expanded sales will result in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also requires the permitted applicant to pay a fee that, among other things, will cover the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California. The measure is sponsored by American Promotional Events. SB 1468 is scheduled to be heard in Assembly Local Government on June 20.

AB 1562 (Jeffries-R) authorizes Calfire to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention. AB 1562 was held under submission by the Assembly Appropriations Committee; the measure is dead.

BUDGET ACTIONS

The legislature has begun its budget deliberations. Because of the passage of proposition 25 two years ago, Republican votes are not needed for passage of the budget and related trailer bills. The clock is ticking towards the June 15 deadline to pass a balanced 2012-13 spending plan. The Governor's May Revise now estimates the budget gap at \$16 billion. Solutions call for \$8 billion in less spending, \$6 billion in new taxes, and \$2.6 billion in delayed loan payments and provides for an extra \$1 billion reserve. The Legislative Democrats are opposed the additional cuts to CalWorks, In-Home Supportive Services, childcare subsidies, and Cal Grants. The Governor and Democratic leadership have been in closed-door negotiations to try to find compromise and \$2 billion in solutions to avoid these cuts. The Senate and Assembly have scheduled Budget Committee hearings for Tuesday, May 12, and will vote on a spending plan later this week. Since the passage of the budget and budget trailer bills only need a majority vote, the Democratic and Republican budget conference committee process has been dropped. Some budget trailer bill language has been developed, however, many proposals have not been released and may not be available until the last minute.

GOVERNOR'S TAX MEASURE

As part of the 2012-13 budget proposal, Governor Brown is sponsoring an initiative for the November, 2012 ballot to temporarily raise taxes to offset the budget deficit for 2012-13, estimated to be \$9.2 billion, and prevent further cuts to education. When two rival tax increase initiatives to fund education were made public, the Governor sought to convince the sponsors to drop their proposals and support his.

A compromise was forged with the California Federation of Teachers (CFT) which resulted in a new proposal co-sponsored by both that lowers the sales tax increase to a quarter of a cent but requires upper income earners to pay more than Brown originally proposed. The proposal would raise an estimated \$9 billion over the next fiscal year. The Governor's proposed initiative's collected signatures were submitted to the appropriate county election officials and is pending signature verification.

Attorney Molly Munger has not backed down from her efforts to compete with the Governor's new proposal. Her initiative proposes progressive increases in the personal income tax, which will expire after 12 years, to help fund K-12 schools. Annual estimates vary from \$10 billion to \$11 billion per year initially, tending to increase over time. Munger's campaign has submitted its collected signatures and the initiative is pending signature verification.

A recent Field poll indicates that the voters favor the Governor's tax increase by a 52 percent to 35 percent, but are evenly divided, 42 percent favor to 43 percent oppose, on the Munger tax increase approach.

Another tax proposal heads to the ballot over the Governor's objection. An environmental coalition submitted more than 900,000 signatures to place an initiative on the November ballot which requires the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund. This initiative is pending signature verification.

REDEVELOPMENT

Redevelopment agencies were eliminated as of February 1, 2012. Successor agencies and their oversight boards are trying to sort through the process and there are efforts by the Legislature to amend the law. The measures introduced to date have mainly focused on the process of preserving affordable housing funds.

Senate President pro Tem Darrell Steinberg (D) has introduced SB 1151, creates an alternative process that allows communities to use their former redevelopment agencies' assets for economic develop and housing purposes, and SB 1156, allows cities and counties to form community development and housing joint powers authorities to administer economic development and affordable housing programs. Both measures passed the Senate and are awaiting policy committee assignment in the Assembly.

Steinberg has also authored SB 654 which allows the host city or county of a dissolving redevelopment agency to retain the funds on deposit in the agency's housing fund and expands the types of agency loans from the host city or county

which are considered enforceable obligations. The measure has been referred to the Assembly Housing and Community Development Committee.

AB 1585, authored by Assembly Speaker John A. Perez (D), makes changes to the process of dissolving redevelopment agencies (RDAs), would allow cities to recoup loans made to their former redevelopment agencies, including requiring the funds on deposit in the Low-and Moderate-Income Housing Fund of the former RDA to remain with the entity that assumes the housing functions rather than being distributed as property tax revenue. AB 1585 passed the Assembly in March and is awaiting a hearing in Senate Governance and Finance Committee.

It is unclear at this point whether any of these measures will get to the Governor. What is clear is that if any legislation impacts the amount of money available to the state, a veto remains a likely outcome. Currently, the Legislature has not attempted to address how the property tax allocations to the old redevelopment agencies will be distributed.

The Department of Finance has finished its work reviewing all of the Recognized Obligation Payments (ROPS) for the June 1, 2012 and the December 31, 2012 property tax allocation and has notified the successor agencies regarding its approved payments.

At the same time, the Governor has proposed language for the trailer bill that would amend AB 26x in such a way as to make it much more difficult for successor agencies to pursue disputes between them and the Department of Finance. It also resolves some outstanding issue in 26x in ways adverse to the successor agencies. The Assembly Democrats are opposed to this language and are pushing back on the Governor. However, this will be a major issue in the discussions between Democratic leadership and the Governor during budget deliberations.



Orange County Fire Authority Monthly Report April, 2012 Update

SRA FEES

On January 23rd, the Office of Administrative Law approved an emergency regulation imposing a fee of up to \$150 assessed by the Board of Forestry and Fire Prevention (Board) on homes/structures in designated "State Responsibility Areas" to fund fire protection and prevention. The emergency regulation is in place for 180 days. The Board's Resource Protection Subcommittee continues its review of the emergency regulation and is currently drafting the permanent regulation. It is anticipated the Board of Equalization (BOE) will start sending out bills for the new fire fee August 7 and would likely take into October to send out the almost 800,000 bills. The Governor remains committed to imposing the SRA fee with funding in his proposed 2012-13 budget to cover CAL FIRE and BOE's administrative costs. The fee is opposed by the California Professional Firefighters, the California Fire Chiefs Association, numerous fire protection districts and associations and others who contend the fee represents double taxation for those who already pay local governments for fire protection and may make voters less likely to approve future augmentations to local fire protection funding. The Howard Jarvis Taxpayers Association also opposes the fee on the basis it is an "illegal tax" and is expected to sue after the first bills are distributed.

LEGISLATION

Assembly Member Jeffries (R) has introduced AB 1506, a bill to repeal the SRA fee. The measure passed out of the Assembly Natural Resources Committee on a 7-2 vote, and was sent to the Suspense File by the Assembly Appropriations Committee. Since the Administration estimates the SRA fee will generate up to \$84 million, it is not likely AB 1506 will move off the Suspense File.

Assembly Member Chesbro's (D) AB 2474, amended April 25, 2012, declares that SRA fees should be implemented in an equitable manner that takes into consideration any amounts an owner already pays for local fire services and the severity of the fire zone where the structure is located. Passed by the Assembly Natural Resources Committee, the measure will be heard in Assembly Appropriations either May 16 or 23.

Senator Ted Gaines (R) introduced SB 1468, a measure that authorizes the sale of safe and sane fireworks from December 26 to midnight of January 1 of the following year, as specified. (Since its introduction, the bill has been turned over to Senator Ron Calderon (D)) The provision in the bill requiring a wholesaler to pay a fee to the State Fire Marshal which would be used to fund a study of the impact of the bill, is being stricken in order to avoid the bill requiring a 2/3s vote. (Legislative Counsel

concluded that the fee was actually a tax pursuant to Proposition 26.) Funding for the study will be provided by "private donations." This amendment will not address the primary opposition position that expanded sales will result in increased fireworks-related injuries, fires and fiscal impacts on fire departments and law enforcement agencies.

The bill also requires the permitted applicant to pay a fee that, among other things, will cover the permitting process, inspection of fireworks stands, educational campaigns for safe and responsible use, related fire operation and suppression efforts, and study of the regulation of all pyrotechnic devices in California. The measure is sponsored by American Promotional Events. SB 1468 is scheduled to be heard in Senate Appropriations on May 21.

AB 1562 (Jeffries-R) authorizes Calfire to enter into contracts with counties where Calfire already operates fire camps to establish county inmate fire crews for fire prevention. Assemblymember Jeffries' office is seeking Legislative Counsel's clarification as to whether the measure would also prohibit the establishment of an inmate crew with a county that currently does not have an inmate fire crew. AB 1562 was referred to the Assembly Appropriations suspense file.

BUDGET ACTIONS

The legislature has begun its budget deliberations. Because of the passage of proposition 25 two years ago, Republican votes are not needed for passage of the budget and related trailer bills. However, because of some of the proposed cuts, and controversial program changes, the Democrats could be feuding with the Governor. Democrats are not like to make any decisions on budget cuts until late May, after the May Revise comes out, and could delay decisions until after the June 5 primary. Even with that, a budget should be enacted in July. The Governor is currently scheduled to release his revised budget on May 14. The State Controller has reported that California's cash balance, receipts and disbursements in April came in \$2.44 billion below (-20.2 percent) the latest projections contained in the Governor's proposed 2012-13 Budget. Year-to-date through April, total revenues are down \$3.5 billion.

GOVERNOR'S TAX MEASURE

As part of the 2012-13 budget proposal, Governor Brown is sponsoring an initiative to temporarily raise taxes to offset the budget deficit for 2012-13, estimated to be \$9.2 billion, and prevent further cuts to education. When two rival tax increase initiatives to fund education were made public, the Governor sought to convince the sponsors to drop their proposals and support his. A compromise was forged with the California Federation of Teachers (CFT) which resulted in a new proposal co-sponsored by both that lowers the sales tax increase to a quarter of a cent but requires upper income earners to pay more than Brown originally proposed. The proposal would raise an estimated \$9 billion over the next fiscal year. The campaign

has gathered at least 1.1 million signatures and is confident the initiative will qualify for the November ballot.

Attorney Molly Munger has not backed down from her efforts to compete with the Governor's new proposal. Her initiative proposes progressive increases in the personal income tax, which will expire after 12 years, to help fund K-12 schools. Annual estimates vary from \$10 billion to \$11 billion per year initially, tending to increase over time. Munger has announced they are submitting 848,000 signatures to qualify the initiative for the November ballot.

Another tax proposal heads to the ballot over the Governor's objection. An environmental coalition submitted more than 900,000 signatures to place an initiative on the November ballot which requires the use of the "single sales" factor when out-of-state companies report California sales. The measure is projected to raise about \$1 billion per year, with half of the funds going toward energy conservation efforts at schools and other public buildings and the remainder to the General Fund.

REDEVELOPMENT

Redevelopment agencies were eliminated as of February 1, 2012. Successor agencies and their oversight boards are trying to sort through the process and there are efforts by the Legislature to amend the law. The measures introduced to date have mainly focused on the process of preserving affordable housing funds.

Senate President pro Tem Darrell Steinberg (D) has introduced SB 1151, creates an alternative process that allows communities to use their former redevelopment agencies' assets for economic development and housing purposes, and SB 1156, allows cities and counties to form community development and housing joint powers authorities to administer economic development and affordable housing programs. Both measures are scheduled to be heard in Senate Appropriations on May 14.

Steinberg has also authored SB 654 which allows the host city or county of a dissolving redevelopment agency to retain the funds on deposit in the agency's housing fund and expands the types of agency loans from the host city or county which are considered enforceable obligations. The measure has been referred to the Assembly Housing and Community Development Committee.

AB 1585, authored by Assembly Speaker John A. Perez (D), makes changes to the process of dissolving redevelopment agencies (RDAs), would allow cities to recoup loans made to their former redevelopment agencies, including requiring the funds on deposit in the Low-and Moderate-Income Housing Fund of the former RDA to remain with the entity that assumes the housing functions rather than being distributed as property tax revenue. AB 1585 passed the Assembly in March and is awaiting a hearing in Senate Governance and Finance Committee.

It is unclear at this point whether any of these measures will get to the Governor. What is clear is that if any legislation impacts the amount of money available to the state, a veto remains a likely outcome. Currently, the Legislature has not attempted to address how the property tax allocations to the old redevelopment agencies will be distributed.

One of the major issues currently facing cities and other local entities is whether or not the claims about existing debts and obligations submitted to the Department of Finance are valid obligations under the law dissolving the agencies. The dispute centers around the date that assets were transferred from the redevelopment agencies to other government entities after January 1, 2011 through June 28, 2011. The administration also contends that any contracts signed with outside parties after June 28, when Governor Brown signed the law (June 29, 2011) eliminating redevelopment agencies, also are not viable. Litigation is likely on these issues.

Casper, Debbie

From: James C. Gross [JGross@nmgovlaw.com]
Sent: Wednesday, December 26, 2012 9:52 AM
To: Casper, Debbie
Cc: Barkman, Jay; John J. Moffatt; Venessa Johnson
Subject: Best and Final Offer
Attachments: Best and Final Offer.docx

Dear Ms. Casper. Attached hereto please find Nielsen, Merksamer's Best and Final Offer relative to RFP DC 1831.

Thank you for your consideration.

James Gross, Partner
NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP
1415 L Street, Suite 1200
Sacramento, California 95814
t: 916.446.6752 | f: 916.446.6106
www.nmgovlaw.com

Please include vjohnson@nmgovlaw.com on all scheduling matters.

NOTICE TO RECIPIENT: THIS E-MAIL, INCLUDING ANY ATTACHED FILES, IS CONFIDENTIAL AND IS MEANT FOR ONLY THE INTENDED RECIPIENT OF THE TRANSMISSION, AND MAY BE A COMMUNICATION PRIVILEGED BY LAW. IF YOU RECEIVED THIS E-MAIL IN ERROR, ANY REVIEW, USE, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS E-MAIL IS STRICTLY PROHIBITED. PLEASE NOTIFY US IMMEDIATELY OF THE ERROR BY RETURN E-MAIL AND PLEASE DELETE THIS MESSAGE FROM YOUR SYSTEM. THANK YOU IN ADVANCE FOR YOUR COOPERATION.

TO: DEBBIE CASPER, C.P.M./ CPPB, PURCHASING AND MATERIALS MANAGER

FROM: JAMES C. GROSS, NIELSEN. MERKSAMER

RE: BEST AND FINAL OFFER IN RESPONSE TO RFP DC 1831

The following constitutes Nielsen, Merksamer's best offer in response to RFP DC 1831 issued by the Orange County Fire Authority.

We propose a five year contract. Years one and two would be for \$60,000.00 per year, or \$5000.00 per month. Years three through five would be for &66,000.00 or \$5500.00 per month.

NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP
ATTORNEYS AT LAW
1415 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752 FAX (916) 446-6106

February 14, 2013

Jay Barkman
Legislative Analyst/Grants Administrator
Orange County Fire Authority
P.O. Box 53008
Irvine, CA 92619-3008

Re: Engagement for Services

Dear Jay:

This letter sets forth the terms of your engagement of this firm to represent Orange County Fire Authority effective February 1, 2013 concerning legislative and administrative advocacy in connection with pursuit of legislation and election activities that affect the interests of the Authority.

Although Steve Merksamer will be involved with project strategy, he will not contact any legislative, administrative or executive officials in connection therewith. All such contact will be made by myself, Gene Erbin, Cathy Christian, John Moffatt and Missy Johnson who are registered to lobby. As we have discussed, Missy is a member of our government relations team but is not licensed to practice law.

If you request us to perform lobbying or other services not provided for in this letter, a separate written agreement between us will be required.

1. Fees and Services

As we discussed, our monthly retainer fee for services rendered shall be \$5,000 (February 1, 2013-December 31, 2014) and \$5,500 (January 1 2015-December 31, 2017). This retainer will be billed each month in advance. Invoices are due and payable upon receipt and are past due in 30 days. Additionally, expenses incurred in connection with this representation will be billed monthly. Attached is our invoice for February 2013.

Jay Barkman
February 14, 2013
Page 2

As we proceed, we will monitor the work to determine if it is more or less extensive than the estimate used to establish this retainer fee. If there is a deviation that warrants a change, we will contact you about modifying this monthly retainer.

I will be the attorney primarily responsible for your legal work although other firm personnel may assist me, as we deem appropriate.

The firm will prepare and, subject to your review and approval, file Lobby Form 635 disclosure reports on your behalf based on the information which you provide us. This work will be billed against the Monthly Retainer upon which we have agreed.

The report will be reviewed and approved by the assigned attorney. The expenses for which you will be billed include \$85.00 per month for the software necessary to prepare and electronically file your Lobbyist Employer reports as required by law. This amount is subject to possible adjustment as of January 1st of each year or in response to a change in circumstances.

This contract is terminable by either party with (30) thirty days notice.

2. Conflict and Waivers

It is important for you to understand that our law firm represents many clients who participate in the governmental and political process primarily in California but also nationwide. Also, since 1975, Nielsen Merksamer has represented thousands of clients in dealing with, and/or litigating for or against, various governmental agencies and complying with federal, state and local political laws, and we are accepting new engagements all the time. It is virtually inevitable that we will work on projects for other clients having different governmental or political objectives, beliefs or views from you.

Additionally, Nielsen Merksamer performs a variety of professional services for its clients, including general counsel matters, litigation, legislative advocacy, regulatory law, political and strategic advice, coalition building, fundraising, and ballot measure and PAC compliance (including preparing federal, state or local disclosure forms). It is certainly possible, even likely, that we will represent these and future clients on matters that may or will be adverse

Jay Barkman
February 14, 2013
Page 3

in some way to your interests, but which are not directly related to the matters for which you are retaining us.

Further, we represent County of San Diego whose interests are or in the future may be contrary to yours with regard to fire protection funding. Based on the information that has been provided to us and the nature of our representation of the above client, we do not believe that our representation of you currently involves any actual conflict of interest.

By signing this letter and returning it to us, you acknowledge that we have discussed these matters with you, and you confirm that you do not object to our representation of clients on matters where their governmental or political objectives and/or positions may be different from or adverse to yours, and that you do not object to our representation of such clients on such matters, and you waive any conflict that arises with County of San Diego so that we may continue to represent its interests. You further agree that you will not assert any conflict of interest concerning such representation or attempt to disqualify this firm from representing such clients notwithstanding such adversity.

If conflicts arise between you and County of San Diego relating to fire protection funding, our firm will attempt to resolve those conflicts by bringing you and County of San Diego together to see whether it is possible to resolve the conflict. While you would certainly be free to terminate our relationship, you agree that this firm nonetheless would be free to represent such clients even on those matters which you consider adverse, and that you waive any conflict of interest in connection therewith.

Should an actual conflict of interest arise, we will apprise you promptly so that you can decide whether you wish to obtain independent counsel.

Needless to say, these acknowledgments and waivers do not permit our law firm, without your written consent, to represent another client in opposing the specific project for which you have engaged us or in litigation, regulatory proceedings, investigations or administrative actions in which you are an adverse party.

Jay Barkman
February 14, 2013
Page 4

3. Acknowledgment

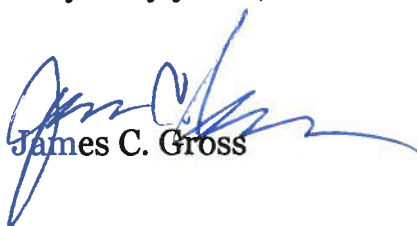
Please read the attached Billing Policy Statement dated January 1, 2013, as it forms part of our agreement. If the foregoing terms of this letter, along with our Billing Policy Statement, are agreeable to you, please sign the enclosed duplicate original of this letter where indicated below and return it to me. Your signature indicates your informed written consent to our representation in accord with the above terms. We encourage you to seek independent counsel regarding the import of this agreement, if you so desire.

This agreement will not take effect, and we will have no obligation to provide legal services, until we receive a signed copy of this letter agreement, together with the payment discussed above, in our office in Sacramento but its effective date will be retroactive to the date we first performed services. Once received by us, this letter agreement, together with the Billing Policy Statement, constitute a contract for the services referenced above.

We look forward to a mutually beneficial working relationship and will do our best to represent you effectively. For additional information regarding our firm, individual attorneys, and practice areas, please visit our website at www.nmgovlaw.com.

Should you have any questions, please do not hesitate to contact me at the above telephone number or by e-mail at jgross@nmgovlaw.com.

Very truly yours,


James C. Gross

JCG/vj
7027.02
Enclosures

Jay Barkman
February 14, 2013
Page 5

The undersigned agrees to the terms of this letter agreement and attached Billing Policy Statement.

Orange County Fire Authority

By: Keith Richter

Date: March 4, 2013

NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP
ATTORNEYS AT LAW
1415 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752 FAX (916) 446-6106

BILLING POLICY STATEMENT
AND OTHER INFORMATION
RELATED TO THE ATTORNEY CLIENT AGREEMENT

To Our Clients

Nielsen Merksamer provides clients with monthly invoices for services performed and expenses incurred in connection with the representation. Invoices are due and payable upon receipt and are past due in 30 days.

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees, expenses, billing and payment terms. Accordingly, this statement is intended to explain briefly our billing policies and procedures and other issues related to the attorney-client relationship. We encourage our clients to discuss with us any questions they may have concerning these policies and procedures, either at the inception of our engagement or during its course. Any specific billing arrangements different from the policy of the firm outlined below will be confirmed in a separate written agreement between the client and the firm.

1. **FEIN.**

Nielsen Merksamer's Federal Employer Identification Number is 94-2908148.

2. **Fees for Professional Services.**

Unless a retainer or project fee is specified in our engagement letter, usually fees are calculated by multiplying the number of hours devoted to a client's specific project by the hourly rates of the personnel rendering the services. In circumstances where time is required for more than one client, a portion of the development time may be charged to each benefitted client. In certain cases, which will be discussed in advance with the client and agreed in writing, our fee

January 1, 2013

will be based upon the novelty or difficulty of the issue, or the time or other limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other personnel rendering services on a client's behalf. Attorneys in the firm are generally billed at rates from \$250 to \$985 per hour, and political report specialists, paralegals, law clerks and non-attorney lobbyists are billed at rates from \$145 to \$400 per hour. These hourly rates are reviewed annually and may be adjusted, effective January 1 of any given year. All adjusted rates will be reflected on our subsequent billing statements. If you decline to pay any increased rates, Nielsen Merksamer will have the right to withdraw as your lawyers.

3. Fees for Other Services and Expenses.

It is our policy to serve all of our clients with effective support systems, while at the same time allocating fees and expenses of such systems in accordance with the extent of usage by individual clients. Therefore, in addition to our fees for professional services, we also charge for certain other services and expenses, including but not limited to those relating to telephone, telecopier, postage, photocopying, staff overtime when required by the nature of the project, computerized research and computer services for campaign and/or lobbying report preparation, client-secure website services, messenger services, and court filing fees and other court-related costs and expenditures such as court reporter and transcription fees, and expert witness and consultant fees.

4. Advance Payment.

Prior to incurring a large amount of time or expense (e.g., prior to a protracted trial or administrative hearing, etc.), we may require an advance payment or payment to the firm's trust account sufficient to cover estimated fees and expenses.

5. Monthly Invoices and Payment; Client Responsibilities.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, and expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month. Failure to pay invoices on a timely basis subjects a client to discontinuance of legal service at the option of the

firm. The firm will give the client due notice of an intention to discontinue service.

Client agrees to be candid and cooperative with Nielsen Merksamer, keep Nielsen Merksamer reasonably informed of developments and of client's address, telephone number and whereabouts, and timely make any payments as required by the Engagement for Services.

6. Internet Communications.

Nielsen Merksamer may send or receive documents or other information that is covered by the attorney-client or work product privileges, or is otherwise confidential, using external electronic communication ("EC") (via the internet or other network). EC is not an absolutely secure method of communication. By signing the engagement letter, you acknowledge and accept the risk in EC communication, and authorize Nielsen Merksamer to use EC means to communicate with you and others necessary to effectively represent you. If there are certain documents with respect to which you wish to maintain absolute confidentiality, you must advise Nielsen Merksamer in writing not to send them via EC and Nielsen Merksamer will comply with your request.

7. Discharge And/Or Withdrawal of Attorney.

Nielsen Merksamer may withdraw as your counsel at any time, so long as such withdrawal is not inconsistent with the Rules of Professional Conduct of the State Bar of California. Notwithstanding the discharge of Nielsen Merksamer or Nielsen Merksamer's withdrawal, you will remain obligated to pay Nielsen Merksamer for all services provided at the agreed rate(s) and for costs incurred, before the discharge or withdrawal.

8. Possession or Destruction of Files.

After our representation of you has concluded, you have the right to immediate possession of your files, if you choose. If you do not take them within three years, by signing the engagement letter with Nielsen Merksamer, you authorize the firm to destroy the files without further notice to you.

If you have any questions concerning the above policies, please contact us immediately.

**NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP**
ATTORNEYS AT LAW
1415 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752 FAX (916) 446-6106

February 1, 2013

Orange County Fire Authority
P.O. Box 53008
Irvine, CA 92619-3008

Attention: Jay Barkman

Retainer in connection with pursuit of legislation and
election activities that affect the interests of the
Authority for February 2013:

\$5,000.00

TOTAL BILLING

\$5,000.00

Account No. 7027.02
JCG/vj
Orange County Fire Authority

PLEASE REFERENCE YOUR CHECK WITH THE ACCOUNT NUMBER AS
SHOWN ON THE BOTTOM OF YOUR INVOICE, SO YOUR ACCOUNT
CAN BE PROPERLY CREDITED. THANK YOU.



**NIELSEN, MERKSAMER,
PARRINELLO, GROSS & LEONI, LLP**

ATTORNEYS AT LAW

1415 L STREET, SUITE 1200

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 446-6752 FAX (916) 446-6106

May 18, 2015

**Jay Barkman
Legislative Analyst/Grants Administrator
Orange County Fire Authority
P.O. Box 53008
Irvine, CA 92619-3008**

Dear Jay;

Pursuant to discussions regarding the efforts of the OCFA to defeat Assembly Bill 1217 (Daly) we are proposing the following change to our current agreement with OCFA. In order to both manage the workload that may be entailed in the effort to defeat the bill and to engage additional assistance if needed, we ask that the OCFA board authorize up to additional \$5,000 per month for the period of June 1, 2015-September 1, 2015.

The amount would be used for the management of workload and engagement of assistance with the lobbying effort. The actual amount of the monthly invoice will be determined prior to June 1, 2015. The final amount for the monthly increase will be terminable with 30 day's notice.

Please let me know if you need anything further.

Sincerely,

James S. Gross

**JSG/vj
7027.02**

**ORANGE COUNTY FIRE AUTHORITY
AMENDMENT NUMBER ONE
TO PROFESSIONAL SERVICES AGREEMENT**

THIS AMENDMENT ONE TO PROFESSIONAL SERVICES (“Agreement”) is made and entered into this ___ day of _____, 201___, by and between the Orange County Fire Authority, a public agency, hereinafter referred to as “OCFA”, and Nielsen, Merksamer, Parrinello, Gross & Leoni LLP, a Limited Liability Partnership Law Firm, hereinafter referred to as “Firm”.

RECITALS

WHEREAS, OCFA and the Firm entered into that certain Professional Services Agreement on the 28th day of February, 2013, for State legislative advocacy services (“Agreement”), which is incorporated herein by this reference; and

WHEREAS, OCFA is requesting additional State legislative advocacy services specific to the defeat of Assembly Bill 1217 (Daly); and

WHEREAS, additional resources may be required to manage the additional workload for a specific time frame to accommodate this request.

NOW, THEREFORE, OCFA and the Firm mutually agree as follows:

1. Section 3.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

3.1 Compensation of Firm.

For the services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, \$5,500 per month effective January 1, 2015 through December 31, 2017.

During the period of June 1, 2015 through September 1, 2015 the firm shall be compensated up to an additional \$5,000 per month for the management of workload and engagement assistance as needed for the specific lobbying effort in accordance with the terms set forth in the letter dated May 18, 2015, attached hereto as Exhibit “A,” and incorporated herein by reference.

Except as modified above, all terms and conditions of the agreement shall remain unchanged and in full force and effect.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

“OCFA”

ORANGE COUNTY FIRE AUTHORITY

Date: _____

By: _____
Jeff Bowman, Fire Chief

APPROVED AS TO FORM.

ATTEST:

By: _____
DAVID E. KENDIG
GENERAL COUNSEL

Sherry A.F. Wentz
Clerk of the Board

Date: _____

“FIRM”

**NEILSEN, MERKSAMER, PARRINELLO,
GROSS & LEONI LLP**

Date: _____

By: _____
James C. Gross, Partner



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
May 21, 2015

Agenda Item No. 4A
Discussion Calendar

Legislative Update AB 1217

Contact(s) for Further Information

Sandy Cooney, Director Communications and Public Affairs	sandycooney@ocfa.org	714.573.6801
Jay Barkman, Legislative Analyst	jaybarkman@ocfa.org	714.573.6048

Summary

As the current dynamics on this legislation are ever changing, this item will be delivered as an oral presentation.

Recommended Action(s)

Receive the oral update and provide additional direction to the Communications and Public Affairs Director, if needed.