



ORANGE COUNTY FIRE AUTHORITY

AGENDA

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

**EXECUTIVE COMMITTEE
REGULAR MEETING
Thursday, October 15, 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 Duncan McColl

PLEDGE OF ALLEGIANCE by Director Gamble

ROLL CALL

1. PRESENTATIONS

No items.

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR

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.

2. MINUTES

A. Minutes from the September 17, 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

Submitted by: Patricia Jakubiak, Treasurer

Budget and Finance Committee's Recommendation: To be reported at meeting

Recommended Action:

Receive and file the reports.

B. Fourth Quarter Financial Newsletter

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

Budget and Finance Committee's Recommendation: To be reported at meeting

Recommended Action:

Receive and file the report.

C. Quarterly Change Order Report

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

Budget and Finance Committee's Recommendation: *To be reported at meeting*

Recommended Actions:

1. Receive and file the quarterly report.
2. Approve and authorize the Purchasing Manager to renew four blanket order contracts for heavy duty vehicle parts with Romaine Electric, Stommel dba Lehr Auto, Code 3, and Wattco for three years and add/redistribute funds to the contracts as needed, so long as the annual value does not exceed \$100,000 for the four contracts combined.
3. Approve and authorize the Purchasing Manager to renew the blanket order contract for light duty vehicle parts with One Stop Parts Source for three years at \$50,000 annually.

D. Blanket Order Contract Extension - Internal Affairs Connections, Inc.

Submitted by: Jeremy Hammond, Human Resources Director

Recommended Action:

Approve and authorize the Purchasing Manager to increase and extend the blanket order with Internal Affairs Connections, Inc., including an increase of \$50,000 to B01320-4 for background investigations, to cover costs on a month-to-month basis through January 30, 2016.

E. Blanket Order Contract Renewals - Property Management

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

Recommended Action:

Approve and authorize the Purchasing Manager to renew, extend, and increase the blanket orders for David Wheeler Pest Control, O'Connell Landscape Maintenance, and DMS Facilities Maintenance contracts for up to three additional years as specified within this report.

F. Blanket Order Contract Renewals – Information Technology

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

Recommended Action:

1. Approve and authorize the Purchasing Manager to renew and increase sole source blanket order contracts with Zoll Data Systems, Inc. for the Orange County Fire Incident Reporting System, Deccan International for the Fire/EMS Computer Aided Dispatch analysis and planning software, and Geospatial Technology for software used by the Regional Automatic Vehicle system.
2. Approve and authorize the Purchasing Manager to renew the blanket order contracts with Citrix Online for web conferencing and training services, and with Leavitt Communications for pager repairs.

END OF CONSENT CALENDAR

4. DISCUSSION CALENDAR

A. Replacements for Broker/Dealer List

Submitted by: Patricia Jakubiak, Treasurer

Budget and Finance Committee’s Recommendation: *To be reported at meeting*

Recommended Actions:

Approve the addition of RBC Capital Markets, LLC and Wedbush Securities Inc. to the Broker/Dealer List, which already includes FTN Financial Securities Corp. and Raymond James Financial Services Inc., and authorize the List for a term of two years through October 31, 2017.

COMMITTEE MEMBER COMMENTS

CLOSED SESSION

No items.

ADJOURNMENT – The next regular meeting of the Executive Committee is scheduled for Thursday, November 19, 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 8th day of October 2015.

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

UPCOMING MEETINGS:

- | | |
|--|---|
| Board of Directors Special Meeting | Thursday, October 15, 2015, 6:30 p.m. |
| Board of Directors Meeting (Cancelled) | Thursday, October 22, 2015, 6:00 p.m. |
| Human Resources Committee Meeting | Tuesday, November 3, 2015, 12:00 noon |
| Budget and Finance Committee Meeting | Wednesday, November 4, 2015, 12:00 noon |
| Claims Settlement Committee Meeting | Thursday, November 19, 2015, 5:30 p.m. |

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting
Thursday, September 17, 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 on September 17, 2015, at 6:00 p.m. by Chair Hernandez.

INVOCATION

Chaplain Duncan McColl offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Noel Hatch, Laguna Woods
Gene Hernandez, Yorba Linda
Jeffrey Lalloway, Irvine
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
David Shawver, Stanton
Todd Spitzer, County of Orange
Beth Swift, Buena Park

Absent: Carol Gamble, Rancho Santa Margarita

Also present were:

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

1. PRESENTATIONS

No items.

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

Budget and Finance Committee Chair McCloskey reported at the September 9, 2015, meeting the Committee voted unanimously to direct staff to place the Monthly Investment Reports on the agenda for the Executive Committee meeting, with the Budget and Finance Committee's recommendations that the Executive Committee receive and file the reports. The Committee also voted to direct staff to place the Rebudget of FY 2014/15 Uncompleted Projects, the Interim Regional Fire Operations and Training Center Security Enhancements, and the Start-Up Funds/Orange County Task Force on Drowning Prevention on the agenda for the Board of Directors meeting, with the Budget and Finance Committee's recommendation to approve the recommended actions.

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

Human Resources Committee Chair David Shawver reported the Human Resources Committee did not meet in the month of September; therefore, there was nothing to report at this time.

PUBLIC COMMENTS

Chair Hernandez opened the Public Comments portion of the meeting. Chair Hernandez closed the Public Comments portion of the meeting without any comments from the general public.

2. MINUTES

A. Minutes from the August 20, 2015, Regular Executive Committee Meeting (F: 12.02A2)

On motion of Director Spitzer and second by Director Shawver, the Executive Committee voted unanimously by those present to approve the minutes of the August 20, 2015, meeting, as submitted.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion of Director McCloskey and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the reports as submitted.

END OF CONSENT CALENDAR

4. DISCUSSION CALENDAR

A. Award of RFP #DC2056 – Wildland Urban Interface Pre-Fire Plans (F: 18.08B)

Assistant Chief Dave Thomas presented the staff report.

On motion of Director Murray and second by Director McCloskey, the Executive Committee voted unanimously by those present to:

1. Approve and authorize the Fire Chief, or his designee, to sign the Professional Services Agreement with Rohde & Associates for a three-year term in an initial amount of \$100,000 for preparation of 20 wildland urban interface pre-fire plans (WUIPP).
2. If additional grant funds are provided to OCFA for the WUIPP project during the three-year term of the contract with Rohde & Associates, authorize the Purchasing Manager to amend the Professional Services Agreement for preparation of additional plans at the same cost per plan for up to an additional \$144,000.

COMMITTEE MEMBER COMMENTS (F: 12.02A4)

Chair Hernandez reported OCFA staff will participate in a meeting at San Clemente Hospital organized by Senator Pat Bates and Assemblyman Bill Brough to discuss current legislation that would allow for a satellite emergency room to replace the current hospital.

Director Murray reported the upcoming meeting of the Orange County Drowning Prevention Task Force. He reported on Tustin's tribute to September 11.

Director Shawver requested the Human Resources Committee agenda discussion of a committee representative to the labor negotiators.

Director Spitzer reported on an upcoming homeless shelter town hall meeting and his attendance at the OCFA September 11 ceremony at headquarters.

Vice Chair Swift commented on the many fires in California and reflected on a book she was reading regarding the Great Fire of 1910, which burned more than 3 million acres across the states of Idaho, Washington, and Montana.

Chair Hernandez reminded everyone of the upcoming OCFA Benevolent Association's Fall Festival. He asked everyone to keep firefighter Bob James in their thoughts and prayers.

CLOSED SESSION

No items.

ADJOURNMENT – Chair Hernandez adjourned the meeting at 6:32 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, October 15, 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
October 15, 2015

Agenda Item No. 3A
Consent Calendar

Monthly Investment Reports

Contact(s) for Further Information

Patricia 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

Due to the Budget and Finance Committee's October meeting taking place in the same week as the Executive Committee, the Budget and Finance Committee Chair will provide a report on the Committee's recommendations prior to taking action on 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 ending August 31, 2015. A preliminary investment report as of September 25, 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 – August 2015/Preliminary Report – September 2015

Orange County Fire Authority Monthly Investment Report



Final Report – August 2015

Preliminary Report – September 2015



Monthly Investment Report Table of Contents

<i>Final Investment Report – August 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 – September 25, 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

August 31, 2015



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of August 2015, the size of the portfolio decreased by \$13.9 million to \$165.5 million. Significant receipts for the month included cash contract payments totaling \$7.5 million and a developer contribution for \$1.3 million. Significant disbursements for the month included primarily two biweekly payrolls, which were approximately \$10.7 million each with related benefits. Total August cash outflows for operating expenditures amounted to approximately \$24.8 million. The portfolio's balance is expected to decrease further in the following month as there are no major receipts scheduled for September.

In August, the portfolio's yield to maturity (365-day equivalent) rose by 3 basis points to 0.36% from the prior month. The effective rate of return increased by 2 basis points to 0.34% for the month and edged up by 1 basis point to 0.33% for the fiscal year-to-date. The average maturity of the portfolio shortened slightly by 4 days to 161 days to maturity.

Economic News

The U.S. economy continued to grow modestly in August 2015. Although overall economic activity remained mixed, employment conditions stayed strong. There were 173,000 new jobs created in August and a net upward adjustment of 44,000 jobs was made for the previous two months. Unemployment conditions continued to improve declining by 2 basis points to 5.1%. Consumer confidence was mixed in August. Both the manufacturing and non-manufacturing sectors declined slightly for the month. Industrial production and durable goods orders also declined in August. The CPI (Consumer Price Index) dropped slightly while the PPI (Producer Price Index) stayed unchanged, keeping inflation down and slightly below the Fed's long-term inflation target of 2.0%. Housing activity improved further in August. Retail sales increased, but at a slightly weaker pace than expected. On September 17, 2015, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at a target range of 0 – 0.25%. The Committee slightly upgraded its outlook on the economy. However, it also cited concerns regarding recent global economic developments. Even though a rate hike did not take place at the Fed's September meeting as many had anticipated, current expectations are that a rate increase will likely take place before the end of 2015.



BENCHMARK COMPARISON AS OF AUGUST 31, 2015

<i>3 Month T-Bill:</i> 0.07%	<i>1 Year T-Bill:</i> 0.38%
<i>6 Month T-Bill:</i> 0.22%	<i>LAIF:</i> 0.33%
<i>OCFA Portfolio:</i> 0.34%	

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>	\$165,512,055	\$179,407,643	\$149,519,487
<i>Yield to Maturity (365 day)</i>	0.36%	0.33%	0.29%
<i>Effective Rate of Return</i>	0.34%	0.32%	0.27%
<i>Days to Maturity</i>	161	165	194



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

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

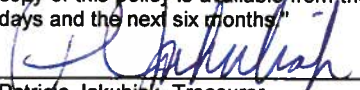
(See Note 1 on page 9)

(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	10,024,429.32	10,024,429.32	10,024,429.32	6.16	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,585,000.00	9,578,914.50	9,580,459.95	5.89	198	82	0.212	0.215
Federal Agency Coupon Securities	42,000,000.00	41,979,720.00	42,010,562.12	25.84	1,307	534	0.834	0.846
Federal Agency Disc. -Amortizing	51,000,000.00	50,989,800.00	50,991,402.50	31.36	143	57	0.098	0.099
Local Agency Investment Funds	50,000,000.00	50,018,798.95	50,000,000.00	30.75	1	1	0.325	0.330
Investments	162,609,429.32	162,591,662.77	162,606,853.89	100.00%	394	161	0.359	0.364
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	2,924,362.20	2,924,362.20	2,924,362.20		1	1	0.000	0.000
Accrued Interest at Purchase		275.00	275.00					
Subtotal		2,924,637.20	2,924,637.20					
Total Cash and Investments	165,533,791.52	165,516,299.97	165,531,491.09		394	161	0.359	0.364

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	50,373.34	101,341.71
Average Daily Balance	172,590,174.21	181,217,826.29
Effective Rate of Return	0.34%	0.33%

"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 Jakubiak, Treasurer 9/4/15

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 165,531,491.09
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ (19,436.11)
Total	\$ 165,512,054.98

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
August 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			10,024,429.32	10,024,429.32	10,024,429.32	0.001	0.001	1	
Subtotal and Average			8,397,244.18		10,024,429.32	10,024,429.32	10,024,429.32		0.001	1	
Commercial Paper Disc. -Amortizing											
36959JYR8	860	GEN ELEC CAP CRP		04/23/2015	2,570,000.00	2,568,303.80	2,568,786.39	0.200	0.206	85	11/25/2015
36959JYL1	862	GEN ELEC CAP CRP		05/06/2015	6,015,000.00	6,011,270.70	6,012,193.00	0.210	0.218	80	11/20/2015
36959JYR8	866	GEN ELEC CAP CRP		07/01/2015	1,000,000.00	999,340.00	999,480.56	0.220	0.223	85	11/25/2015
Subtotal and Average			9,579,627.80		9,585,000.00	9,578,914.50	9,580,459.95		0.215	82	
Federal Agency Coupon Securities											
3133ECM76	809	Federal Farm Credit Bank (Callable anytime)		04/25/2013	9,000,000.00	8,997,840.00	8,998,648.75	0.400	0.424	234	04/22/2016
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	8,983,260.00	9,000,000.00	0.990	0.998	874	01/22/2018
3134G7FK2	863	Fed Home Loan Mtg Corp (Callable 12-23-15)		06/30/2015	9,000,000.00	8,998,200.00	9,005,462.43	1.100	0.905	113	03/23/2018
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	6,000,600.00	6,000,000.00	1.000	0.981	708	08/09/2017
3133813R4	800	Fed Home Loan Bank (Callable 9-9-15)		12/20/2012	9,000,000.00	8,999,820.00	9,006,450.94	1.000	0.966	800	11/09/2017
Subtotal and Average			42,011,279.28		42,000,000.00	41,979,720.00	42,010,562.12		0.846	534	
Federal Agency Disc. -Amortizing											
313396MC4	859	Freddie Mac		04/23/2015	9,000,000.00	8,999,910.00	8,999,540.00	0.080	0.082	23	09/24/2015
313588LP8	858	Fed Home Loan Bank		04/23/2015	9,000,000.00	9,000,000.00	8,999,825.00	0.070	0.072	10	09/11/2015
313384NG0	864	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,998,920.00	8,998,725.00	0.100	0.103	51	10/22/2015
313384NX3	865	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,997,660.00	8,998,432.50	0.095	0.098	66	11/06/2015
313384QB8	867	Fed Home Loan Bank		07/01/2015	6,000,000.00	5,997,540.00	5,998,120.00	0.120	0.123	94	12/04/2015
313384QR3	868	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,995,770.00	8,996,760.00	0.120	0.123	108	12/18/2015
Subtotal and Average			62,602,022.94		51,000,000.00	50,989,800.00	50,991,402.50		0.099	57	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,018,798.95	50,000,000.00	0.330	0.330	1	
Subtotal and Average			50,000,000.00		50,000,000.00	50,018,798.95	50,000,000.00		0.330	1	
Total and Average			172,590,174.21		162,609,429.32	162,591,662.77	162,606,853.89		0.364	161	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
August 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										
SYS10033	10033	Revolving Fund		07/01/2015	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2015	2,904,362.20	2,904,362.20	2,904,362.20		0.000	1
		Average Balance	0.00	Accrued Interest at Purchase		275.00	275.00			1
				Subtotal		2,924,637.20	2,924,637.20			
		Total Cash and Investments	172,590,174.21		165,533,791.52	165,516,299.97	165,531,491.09		0.364	161

(This Page Intentionally Left Blank)



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of September 1, 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	(09/01/2015 - 09/01/2015)	4 Maturities	0 Payments	62,948,791.52	38.03%	62,948,791.52	62,967,590.47
Aging Interval:	1 - 30 days	(09/02/2015 - 10/01/2015)	2 Maturities	0 Payments	18,000,000.00	10.87%	17,999,365.00	17,999,910.00
Aging Interval:	31 - 60 days	(10/02/2015 - 10/31/2015)	1 Maturities	0 Payments	9,000,000.00	5.44%	8,998,725.00	8,998,920.00
Aging Interval:	61 - 91 days	(11/01/2015 - 12/01/2015)	4 Maturities	0 Payments	18,585,000.00	11.22%	18,578,892.45	18,576,574.50
Aging Interval:	92 - 121 days	(12/02/2015 - 12/31/2015)	2 Maturities	0 Payments	15,000,000.00	9.06%	14,994,880.00	14,993,310.00
Aging Interval:	122 - 152 days	(01/01/2016 - 01/31/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(02/01/2016 - 03/02/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(03/03/2016 - 06/01/2016)	1 Maturities	0 Payments	9,000,000.00	5.44%	8,998,648.75	8,997,840.00
Aging Interval:	275 - 365 days	(06/02/2016 - 08/31/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(09/01/2016 - 08/31/2018)	4 Maturities	0 Payments	33,000,000.00	19.94%	33,011,913.37	32,981,880.00
Aging Interval:	1096 days and after	(09/01/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			18 Investments	0 Payments		100.00	165,531,216.09	165,516,024.97



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, 2015 includes an increase of \$18,799 to the LAIF investment and a decrease of (\$38,235) 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 August 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 June 30, 2015 is 1.000375979. When applied to OCFA's LAIF investment, the fair value is \$50,018,799 or \$18,799 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 August 31, 2015 is included on the following page.



State of California
Pooled Money Investment Account
Market Valuation
8/31/2015

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 12,474,863,654.05	\$	12,484,842,500.00	NA
Notes	\$ 20,755,808,843.38	\$	20,760,132,000.00	\$ 18,069,567.00
Federal Agency:				
SBA	\$ 607,727,052.44	\$	602,671,687.39	\$ 527,701.71
MBS-REMICs	\$ 83,266,418.47	\$	88,878,700.91	\$ 395,647.77
Debentures	\$ 1,316,981,998.23	\$	1,315,946,250.00	\$ 5,901,168.65
Debentures FR	\$ -	\$	-	\$ -
Discount Notes	\$ 6,537,400,680.53	\$	6,540,193,500.00	NA
GNMA	\$ -	\$	-	\$ -
Supranational Debentures	\$ 350,180,473.77	\$	350,509,000.00	\$ 1,053,473.00
CDs and YCDs FR	\$ -	\$	-	\$ -
Bank Notes	\$ 700,000,000.00	\$	699,992,779.89	\$ 552,638.89
CDs and YCDs	\$ 13,050,014,748.62	\$	13,046,603,592.21	\$ 7,625,916.71
Commercial Paper	\$ 5,371,343,611.17	\$	5,373,436,305.57	NA
Corporate:				
Bonds FR	\$ -	\$	-	\$ -
Bonds	\$ -	\$	-	\$ -
Repurchase Agreements	\$ -	\$	-	\$ -
Reverse Repurchase	\$ -	\$	-	\$ -
Time Deposits	\$ 5,561,540,000.00	\$	5,561,540,000.00	NA
AB 55 & GF Loans	\$ 453,820,027.07	\$	453,820,027.07	NA
TOTAL	\$ 67,262,947,507.73	\$	67,278,566,343.04	\$ 34,126,113.73

Fair Value Including Accrued Interest \$ 67,312,692,456.77

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



Orange County Fire Authority
Preliminary Investment Report
September 25, 2015



**ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
September 25, 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	18,053,519.94	18,053,519.94	18,053,519.94	11.83	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,585,000.00	9,581,502.45	9,581,846.85	6.28	198	57	0.212	0.215
Federal Agency Coupon Securities	42,000,000.00	42,009,390.00	42,009,284.41	27.52	1,307	509	0.834	0.846
Federal Agency Disc. -Amortizing	33,000,000.00	32,994,330.00	32,994,506.25	21.62	140	53	0.109	0.111
Local Agency Investment Funds	50,000,000.00	50,018,798.95	50,000,000.00	32.76	1	1	0.325	0.330
Investments	152,638,519.94	152,657,541.34	152,639,157.45	100.00%	403	156	0.373	0.378
Cash								
Passbook/Checking (not included in yield calculations)	84,186.71	84,186.71	84,186.71		1	1	0.000	0.000
Total Cash and Investments	152,722,706.65	152,741,728.05	152,723,344.16		403	156	0.373	0.378

Total Earnings	September 25 Month Ending	Fiscal Year To Date
Current Year	40,504.51	141,846.22
Average Daily Balance	163,984,454.61	176,265,707.99
Effective Rate of Return	0.36%	0.34%

"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 Jakubak, Treasurer

10/1/15

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 152,723,344.16
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (19,436.11)
Total	\$ 152,703,908.05

Page 13

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
September 25, 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			18,053,519.94	18,053,519.94	18,053,519.94	0.001	0.001	1	
Subtotal and Average			17,520,288.42		18,053,519.94	18,053,519.94	18,053,519.94		0.001	1	
Commercial Paper Disc. -Amortizing											
36959JYR8	860	GEN ELEC CAP CRP		04/23/2015	2,570,000.00	2,568,997.70	2,569,143.33	0.200	0.206	60	11/25/2015
36595JYL1	862	GEN ELEC CAP CRP		05/06/2015	6,015,000.00	6,012,894.75	6,013,070.19	0.210	0.218	55	11/20/2015
36959JYR8	866	GEN ELEC CAP CRP		07/01/2015	1,000,000.00	999,610.00	999,633.33	0.220	0.223	60	11/25/2015
Subtotal and Average			9,581,181.14		9,585,000.00	9,581,502.45	9,581,846.85		0.215	57	
Federal Agency Coupon Securities											
3133ECM76	809	Federal Farm Credit Bank(Callable anytime)		04/25/2013	9,000,000.00	9,000,090.00	8,998,794.99	0.400	0.424	209	04/22/2016
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	8,998,380.00	9,000,000.00	0.990	0.998	849	01/22/2018
3134G7FK2	863	Fed Home Loan Mtg Corp(Callable 12-23-15)		06/30/2015	9,000,000.00	9,011,790.00	9,004,243.14	1.100	0.905	88	03/23/2018
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	683	08/09/2017
3133813R4	800	Fed Home Loan Bank(Callable 10-9-15)		12/20/2012	9,000,000.00	8,998,830.00	9,006,246.28	1.000	0.966	775	11/09/2017
Subtotal and Average			42,009,897.70		42,000,000.00	42,009,390.00	42,009,284.41		0.846	509	
Federal Agency Disc. -Amortizing											
313384NG0	864	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,999,820.00	8,999,350.00	0.100	0.103	26	10/22/2015
313384NX3	865	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,999,100.00	8,999,026.25	0.095	0.098	41	11/06/2015
313384QB8	867	Fed Home Loan Bank		07/01/2015	6,000,000.00	5,998,380.00	5,998,620.00	0.120	0.123	69	12/04/2015
313384QR3	868	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,997,030.00	8,997,510.00	0.120	0.123	83	12/18/2015
Subtotal and Average			44,873,087.35		33,000,000.00	32,994,330.00	32,994,506.25		0.111	53	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,018,798.95	50,000,000.00	0.330	0.330	1	
Subtotal and Average			50,000,000.00		50,000,000.00	50,018,798.95	50,000,000.00		0.330	1	
Total and Average			163,984,454.61		152,638,519.94	152,657,541.34	152,639,157.45		0.378	156	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
September 25, 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										
SYS10033	10033	Revolving Fund		07/01/2015	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2015	64,186.71	64,186.71	64,186.71		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			163,984,454.61		152,722,706.65	152,741,728.05	152,723,344.16		0.378	156

(This Page Intentionally Left Blank)



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of September 26, 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	(09/26/2015 - 09/26/2015)	4 Maturities	0 Payments	68,137,706.65	44.62%	68,137,706.65	68,156,505.60
Aging Interval:	1 - 30 days	(09/27/2015 - 10/26/2015)	1 Maturities	0 Payments	9,000,000.00	5.89%	8,999,350.00	8,999,820.00
Aging Interval:	31 - 60 days	(10/27/2015 - 11/25/2015)	4 Maturities	0 Payments	18,585,000.00	12.17%	18,580,873.10	18,580,602.45
Aging Interval:	61 - 91 days	(11/26/2015 - 12/26/2015)	2 Maturities	0 Payments	15,000,000.00	9.82%	14,996,130.00	14,995,410.00
Aging Interval:	92 - 121 days	(12/27/2015 - 01/25/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(01/26/2016 - 02/25/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(02/26/2016 - 03/27/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(03/28/2016 - 06/26/2016)	1 Maturities	0 Payments	9,000,000.00	5.89%	8,998,794.99	9,000,090.00
Aging Interval:	275 - 365 days	(06/27/2016 - 09/25/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(09/26/2016 - 09/25/2018)	4 Maturities	0 Payments	33,000,000.00	21.61%	33,010,489.42	33,009,300.00
Aging Interval:	1096 days and after	(09/26/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			16 Investments	0 Payments		100.00	152,723,344.16	152,741,728.05



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, 2015 includes an increase of \$18,799 to the LAIF investment and a decrease of (\$38,235) 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
October 15, 2015

Agenda Item No. 3B
Consent Calendar

Fourth 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 fourth quarter of FY 2014/15.

Prior Board/Committee Action

Due to the Budget and Finance Committee's October meeting taking place in the same week as the Executive Committee, the Budget and Finance Committee Chair will provide a report on the Committee's recommendations prior to taking action on this item.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

As a result of revenue received in excess of budget (\$3.5 million), combined with actual expenditures closing at less than budget (\$9.1M), the year-end unencumbered fund balance from FY 2014/15 is \$12.6 million. Per the Accelerated Pension Paydown Plan adopted by the Board of Directors in September 2013, year-end fund balance shall be applied as payment to OCFA's unfunded pension liability. This action will be further reviewed with the Board of Directors in November.

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. Notable items are detailed in the attached newsletter.

Attachment(s)

Fourth Quarter Financial Newsletter – July 2014 to June 2015



Orange County Fire Authority

Fourth Quarter Financial Newsletter – July 2014 to June 2015

OVERVIEW

This report covers fiscal activities in the General Fund and CIP Funds through the fourth quarter of Fiscal Year 2014/15. As a result of revenue received in excess of budget, combined with actual expenditures closing at less than budget, the year-end unencumbered fund balance available from FY 2014/15 is \$12.6 million (after accounting for projects that were rebudgeted to FY 2015/16). Per the Accelerated Pension Paydown Plan adopted by the Board of Directors in September 2013, year-end fund balance shall be applied as payment to OCFA's unfunded pension liability. This action will be further reviewed with the Board of Directors in November.

GENERAL FUND

With 100% of the year completed, General Fund revenues are 101.1% of budget and expenditures are 97.3% as shown below:

General Fund	YTD Actual	Budget	Percent
Revenues	330,238,733	326,719,309	101.1%
Expenditures	328,570,874	337,841,378	97.3%

Top Five Revenues. The analysis presented below compares the five largest revenue categories received through the fourth quarter, as compared to the annual budget for those revenues. Categories in which the variance exceeds 10% or \$1 million are discussed below the table.

Top Five Revenues	YTD Actual Receipts	FY 2014/15 Budget	Variance: Actual to Estimate in Dollars	% Variance
Property Taxes	205,141,237	204,827,822	313,415	0%
Cash Contracts	87,983,180	87,934,667	48,513	0%
State Reimbursements	10,660,506	8,600,000	2,060,506	19%
CRA Pass-through	9,800,622	9,311,988	488,634	5%
Community Risk Reduction Fees	7,151,672	6,448,604	703,068	10%
Total	320,737,217	317,123,081	3,614,136	1%

- **State Reimbursements:** This category of revenue is comprised of Assistance by Hire and the CAL Fire contract and reimbursements. This category exceeded budget due to OCFA personnel responding to significant incidents during the last quarter of the fiscal year, which resulted in unanticipated reimbursements that were not adjusted into the revenue budget prior to year-end.
- **Community Risk Reduction Fees:** This category of revenue exceeded budget by approximately \$700,000 or 10%. This was primarily due to Planning and Development revenues in excess of budget due to increased construction activity in the County.

Expenditures. The analysis presented below compares the actual expenditures through the fourth quarter, as compared to the annual budget for those expenditures. Categories in which the variance exceeds 10% or \$1 million are discussed below the table.

Expenditures by Department	YTD Actual Expenditures	FY 2014/15 Budget	Variance: Actual to Estimate in Dollars	% Variance
Business Services	40,770,226	41,408,165	(637,939)	-2%
Community Risk Reduction	14,058,582	14,915,743	(857,161)	-6%
Executive Management	11,224,859	11,805,591	(580,732)	-5%
Operations	240,403,266	245,654,194	(5,250,928)	-2%
Organizational Planning	1,279,240	1,703,252	(424,012)	-33%
Support Services	20,834,700	22,354,433	(1,519,733)	-7%
Total	328,570,873	337,841,378	(9,270,505)	-3%

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

- **Operations:** This Department completed FY 2014/15 below budget by \$5.25 million or 2%, primarily from salary savings due to vacant positions. Multiple academies and promotional processes are planned for FY 2015/16 to reduce vacancies.
- **Organizational Planning:** This new Department closed the fiscal year below budget by \$424,000 or 33%. Approximately \$239,000 of the savings represented unspent Grant funds which were subsequently rebudgeted to FY 2015/16. The remainder of the savings is from vacant positions, for which OCFA had active recruitments under way at year-end in order to fill the vacancies.
- **Support Services:** The Support Services Department closed FY 2014/15 at 7% or \$1.5 million below budget, partially due to vacancies, and partially due to several Information Technology projects that were not completed in 2014/15. These projects were subsequently rebudgeted to FY 2015/16.

Expenditures by type are outlined below.

Expenditures by Type	YTD Actual Expenditures	FY 2014/15 Budget	Variance: Actual to Estimate in Dollars	% Variance
Salary & Employee Benefits	299,800,664	306,889,129	(7,088,465)	-2%
Services and Supplies	28,024,463	30,128,189	(2,103,726)	-8%
Equipment	416,663	494,977	(78,314)	-19%
Tran Interest Expense	329,083	329,083	-	N/A
Total	328,570,873	337,841,378	(9,270,505)	-3%

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

- **Salary and Employee Benefits:** This category closed the FY at \$7 million or 2% below budget, due to vacancies throughout the Authority.
- **Services and Supplies, and Equipment:** S&S and Equipment closed at approximately \$2 million under budget, in part, due to projects that were not completed in 2014/15 and were subsequently rebudgeted to FY 2015/16.

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
Revenues	1,133,712	1,133,712	100%
Expenditures	775,832	1,599,326	49%

- On February 26, 2015, the Board approved the Capital Projects Fund Policy. The General Fund CIP was created to account for special projects that are considered more capital in nature, but do not meet the specific criteria to remain in a Capital Project Fund per our Policy.
- Actual expenditures include computer and radio replacements. The remaining balance represents similar projects that will be continued in FY 2015/16 and rebudgeted where necessary.

Santa Ana Station Improvements - CDBG

Fund 12270	YTD Actual	Budget	Percent
Revenue	826,075	872,780	94.6%
Expenditures	787,153	861,300	91.4%

- 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. The project was completed in February 2015 and this Fund will be closed.

Fire Stations and Facilities

Fund 123	YTD Actual	Budget	Percent
Revenue	7,974,165	7,321,170	108.9%
Expenditures	6,274,692	6,541,928	95.9%

- Revenues include developer reimbursements for the design and construction of Station 56 (Ortega Valley) which was completed in July 2015.
- Appropriations include \$6.3 million for the Urban Search & Rescue Warehouse purchase, which was approved by the Board and completed in April 2015.

Communications & Information Systems Replacement

Fund 124	YTD Actual	Budget	Percent
Revenue	311,016	298,868	104.1%
Expenditures	519,009	6,612,023	7.8%

- Appropriations include \$5.8 million for the remaining components of the Public Safety System Project, which were not completed this FY and were already included in the FY 2015/16 budget.
- Actual expenditures include \$194,000 toward replacement of the CAD system and \$179,000 for upgrades to the fire station alerting systems.

Fire Apparatus

Fund 133	YTD Actual	Budget	Percent
Revenue	2,152,013	2,254,121	95.5%
Expenditures	11,051,007	12,877,268	85.8%

- 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.
- The expenditure budget includes \$8.5 million for the purchase of emergency and support vehicles, including four 100' Quints, as well as Lease Purchase Agreement payments on the helicopters. Other vehicle projects included the \$2.6 million purchase of five Type 1 Engines, two of which were put in service at the end of the fiscal year.

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
October 15, 2015

Agenda Item No. 3C
Consent Calendar

Quarterly Change Order Report

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Debbie Casper, Purchasing & Materials Manager	debbiecasper@ocfa.org	714.573.6641

Summary

This agenda item is a routine quarterly report to summarize change orders issued within the dollar limits delegated to management and to request approval for associated actions.

Prior Board/Committee Action(s)

Due to the Budget and Finance Committee's October meeting taking place in the same week as the Executive Committee, the Budget and Finance Committee Chair will provide a report on the Committee's recommendations prior to taking action on this item.

RECOMMENDED ACTION(S)

1. Receive and file the quarterly report.
2. Approve and authorize the Purchasing Manager to renew four blanket order contracts for heavy duty vehicle parts with Romaine Electric, Stommel dba Lehr Auto, Code 3, and Wattco for three years and add/redistribute funds to the contracts as needed, so long as the annual value does not exceed \$100,000 for the four contracts combined.
3. Approve and authorize the Purchasing Manager to renew the blanket order contract for light duty vehicle parts with One Stop Parts Source for three years at \$50,000 annually.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

See attached extended background.

Attachment(s)

Quarterly Report Change Orders July–September 2015

Background

Attached is the quarterly report of change orders issued within the dollar limits delegated to management for the period of July to September 2015. During our prior quarterly review with the Executive Committee (March to June 2015), staff was requested to include the following information in future quarterly reports:

- Add the percentage change for each change order listed in the report
- Evaluate lessons learned in relation to the drivers behind each change order
- Consider economies of scale that might be achieved through cooperative agreements and joint purchasing opportunities with the County or other agencies

These factors have been addressed in this quarterly report, as discussed below and in the attachment.

Lessons Learned

Purchasing staff has been working closely with all sections to help define and quantify their material and service needs as solicitations for annual blanket orders (BOs) are prepared. This has been a transition from how and why BOs were established in the past. Some smaller dollar BOs were previously established with regular vendors for an easy method to pay invoices. These BOs did not include detail nor comprehensive planning regarding the anticipated volume and total purchasing value that might be required. Some BO amounts were requested by sections based on budgetary figures that they had available, and not actual expenditures and needs.

This transition to define anticipated volume and contract value has been a learning process and while staff continues to make progress, there are instances where business practices, like vehicle repair and maintenance, have been difficult to quantify. Through the bidding process, OCFA has found some new vendors in addition to maintaining business with current vendors that offer the best value. Staff has realized efficiencies in business practices through a reduction in the number of direct payment requests and better contract pricing. As a standard practice, purchasing staff contacts the County of Orange and other agencies for opportunities to aggregate expenditures prior to issuing a solicitation.

Fleet Services – Future Adjustments Based on Lessons Learned

Heavy Duty Vehicles

In August 2014, bid MD1942 was issued and sent to 342 registered vendors to establish multiple annual contracts for replacement parts for heavy duty vehicles. Nine bids were received and four small dollar contracts were awarded, as detailed below. The first year of these contracts will expire November 30, 2015.

Based on the needs identified over this first year, staff is requesting approval to renew these BOs for three years and adjust the values between the BOs as needed, so long as the aggregate value for all four BOs combined does not exceed \$100,000 annually. This will represent an increase of \$23,000 over the current combined total of \$77,000.

Fleet Services – Heavy Duty Vehicles Contracts for Replacement Parts MD1942	Original BO Sept 2014	Change Orders	% Change	Revised BO Value
Romaine Electric – B01548	\$10,000	\$22,000	**220%	\$32,000
Stommel dba Lehr Auto – B01547	\$10,000	\$2,000	20%	\$12,000
Code 3 – B01546	\$12,500	-	-	\$12,500
Wattco – B01549	\$12,500	\$8,000	64%	\$20,500
Aggregate Contract Amount	\$45,000	\$32,000	71%	\$77,000
<u>Executive Committee Approval Requested</u>				
1. Authorize renewal of the BOs for up to three additional years.		\$23,000	30%	\$100,000
2. Increase the annual aggregate value of the four BOs combined to \$100,000 for the contract year beginning December 1, 2015.				

***The high percentage change to this blanket order was driven by a need for more parts during the first year of the contract than anticipated based on historical orders.*

Providing authorization to increase the contracts as outlined above will provide flexibility to purchase the parts needed to repair the vehicles in the most efficient and cost effective manner while keeping within the Authority’s purchasing guidelines. Staff has found this to be an effective way to manage these contracts that are difficult to quantify.

Light Duty Vehicles

In February 2015, bid JA2006 was issued and sent to 225 registered vendors to establish annual contracts for replacement parts for light duty vehicles. Nine bids were received and one small dollar contract was awarded to One Stop Parts Source, as detailed below. The first year of this contract will expire February 29, 2016.

Based on the needs identified during this first year, staff is requesting approval to renew this BO for three years and adjust the value to \$50,000 annually.

Fleet Services – Light Duty Vehicles Contracts for Replacement Parts JA2006	Original BO Feb 2015	Change Order	% Change	Revised BO Value
One Stop Parts Source – B01582	\$20,000	\$30,000	150%	\$50,000
<u>Executive Committee Approval Requested</u>				
Authorize renewal of the BO for up to three additional years at \$50,000 annually.				\$50,000

Summary

As staff continues to refine purchasing practices, better define needs for solicitations, and improve estimates for anticipated values, we are finding that requests for change orders are being reduced. The number of change orders has been reduced from ten for the previous quarter to seven in this current quarter. Purchasing staff will continue to bring future contract awards to multiple vendors for approval by the Executive Committee with an aggregate not to exceed amount in an effort to minimize the need for change orders, while also ensuring compliance with purchasing guidelines and budgetary controls.

Orange County Fire Authority
 Quarterly Change Order (C/O) Report
 July - September 2015

	Vendor, Term, Section & C/O Date	Commodity or Service	Original Value, C/O, Revised Value	% Change	Reason for Change Order	Lessons Learned
1	Romaine Electric B01548 11/24/14 – 11/30/15 <i>Fleet Services</i> <i>C/O 07/10/15</i>	Heavy Duty Vehicle Parts (Leece Neville, Denso, Cole Hersee – 53%-62% discount off list prices) <i>Bid MD1942</i>	\$10,000 <u>C/O + 22,000</u> \$32,000	220%	More parts were needed during the first year of these three blanket orders (BO) than originally anticipated based on historical orders.	The contracts don't need to match the line item budget. Request Executive Committee (EC) approval to increase and adjust between multiple BOs for heavy duty vehicle parts, with a combined value of \$100,000.
2	Stommel dba Lehr Auto B01547 11/24/14 – 11/30/15 <i>Fleet Services</i> <i>C/O 09/17/15</i>	Heavy Duty Vehicle Parts (Xantrex chargers & sensors) <i>Bid MD1942</i>	\$10,000 <u>C/O +2,000</u> \$12,000	20%		
3	Wattco BO1549 11/24/14 – 11/30/15 <i>Fleet Services</i> <i>C/O 09/30/15</i>	Heavy Duty Vehicle Parts (emergency lighting) <i>Bid MD 1942</i>	\$12,500 <u>C/O +8,000</u> \$20,500	64%		
4	One Stop Parts Source B01582 03/01/15 – 02/29/16 <i>Fleet Services</i> <i>C/O 09/24/15</i>	Light Duty Vehicle Parts <i>Bid JA2006</i>	\$20,000 <u>C/O +30,000</u> \$50,000	150%	More parts were needed than allowed for based on the value of the original BO request. Based on a review of past orders, this BO should have been requested at \$50,000 originally.	The BOs should accurately reflect past usages with an allowance for unforeseen purchases. In addition, the contracts don't need to match the line item budget. Request EC approval to increase the annual value to the correct level of \$50,000.

5	The PM Group B01432-2 10/01/14 – 09/30/15 <i>Service Center</i> <i>C/O 08/07/15</i>	Printing of business cards	\$5,000 <u>C/O +1,500</u> \$6,500	30%	Contract increase was needed due to promotions, staffing changes and new employees.	This contract is directly affected by the turnover in the organization and should be evaluated annually
6	Kimball Midwest B01305-4 09/01/14 – 08/31/15 <i>IT/Comm. Services</i> <i>C/O 08/13/15</i>	Radio installation hardware, electrical connectors, and misc. parts & supplies (volume discounts based on GSA up to 34% off list price)	\$11,500 <u>C/O +4,000</u> \$15,500	35%	The need for parts has increased this year with a higher volume of new vehicles. Bid specifications are being prepared to combine Comm. Services & Fleet usage in order to achieve economy of scale.	This contract is affected by the fluctuating number of new vehicles and equipment installations per year and should be evaluated annually.
7	Laerdal B01056-7 02/01/15 – 01/31/16 <i>EMS</i> <i>C/O 09/08/15</i>	Purchase of CPR/American Heart Association (AHA) training materials and books (10% discount off list)	\$6,888 <u>C/O +4,112</u> \$11,000	60%	Funding increase was requested for additional training needs for Academy 41 and 42 through January 2016. This contract will be sent out for bid prior to termination date.	The amount requested for blanket order contracts should be more reflective of prior orders and also anticipate upcoming training needs.



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 15, 2015

Agenda Item No. 3D
Consent Calendar

Blanket Order Contract Extension - Internal Affairs Connections, Inc.

Contact(s) for Further Information

Jeremy Hammond, Director
Human Resources Department

jeremyhammond@ocfa.org

714.573.6018

Summary

This agenda item is submitted for approval to extend and increase the current blanket order with Internal Affairs Connection, Inc. on a month-to-month basis through January 30, 2016.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Approve and authorize the Purchasing Manager to increase and extend the blanket order with Internal Affairs Connections, Inc., including an increase of \$50,000 to B01320-4 for background investigations, to cover costs on a month-to-month basis through January 30, 2016.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2015/16 budget.

Background

The Human Resources Department is responsible for obtaining pre-employment background investigation services. A Request for Proposal (RFP) was issued in November 2010, and three vendors submitted proposals. The blanket order contract for \$99,000 was awarded to Internal Affairs Connections, Inc., the top ranked firm with the lowest responsive proposal. The proposal provided a one-year contract with four additional one year renewal options. In November, 2014, the Executive Committee approved the remaining extension options provided in the contract.

The Human Resources Department has worked with purchasing staff to complete and issue a new RFP which will be awarded in early 2016. In the interim, the Human Resources Department has a continued need to conduct pre-employment background investigations for classifications including Firefighter Trainee and Handcrew Firefighter. While the existing blanket order has approximately \$32,000 remaining, staff has estimated that the number of backgrounds that must be completed this calendar year will require an extension of the contract and an increase in the blanket order amount.

In the interim, while staff completes the RFP process for a new background investigator contract, an extension to the current blanket order with Internal Affairs Connections, Inc. is needed. The renewal would be continued on a month-to-month basis, for a total cost not to exceed \$50,000, with the ability to terminate the contract upon completion of the RFP process and new contract award.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 15, 2015

Agenda Item No. 3E
Consent Calendar

Blanket Order Contract Renewals - Property Management

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6008
Steve Chambers, Property Manager	stevechambers@ocfa.org	714.573.6472

Summary

This agenda item seeks approval to renew current blanket orders for David Wheeler Pest Control, O'Connell Landscape Maintenance, and DMS Facilities Maintenance property management service contracts.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Approve and authorize the Purchasing Manager to renew, extend, and increase the blanket orders for David Wheeler Pest Control, O'Connell Landscape Maintenance, and DMS Facilities Maintenance contracts for up to three additional years as specified within this report.

Impact to Cities/County

None

Fiscal Impact

Funding is included in the FY 2015/16 Adopted General Fund Budget (Fund 12150).

Background

For each of the blanket order contracts below, the contracts were awarded based on a competitive solicitation process. At the time of contract awards, Executive Committee approval was not required; however, due to subsequent changes in the Roles and Responsibilities Matrix, we are now requesting approval to renew, extend, and/or increase the following blanket order contracts.

David Wheeler Pest Control for Pest Control Services – B01433

On October 1, 2012, a competitive bid was issued for pest control services at OCFA properties, resulting in a blanket order contract award to David Wheeler Pest Control for an annual amount not to exceed \$30,000, with the option for up to four annual renewals. Since the multi-year aggregate value of this contract exceeds \$100,000, staff is requesting approval from the Executive Committee to renew and extend the contract for the remaining two optional renewal years for an amount of \$30,000 annually (Attachment).

O'Connell Landscape Maintenance for RFOTC Landscape Maintenance – B01556

On October 31, 2014, a competitive bid was issued for the maintenance of landscaping at the RFOTC, resulting in a blanket order contract award to O'Connell Landscape Maintenance for an annual amount not to exceed \$53,257, with the option for up to four annual renewals.

On September 9, 2015, OCFA received a letter from O'Connell indicating that due to the State of California's minimum wage increase effective January 1, 2016, they will be raising their rates, with the annual cost increasing to \$55,000. Since the multi-year aggregate value of this contract exceeds \$100,000 and because of the increase in rates, staff is requesting approval to renew the contract for the four optional renewal years for an amount of \$55,000 annually (Attachment).

Purchasing staff has also noted that, although we are requesting approval for optional renewal years, we do intend to bid a new contract for future landscape services after we complete plans and installation of alternative landscaping at the RFOTC to become drought tolerant. We have the ability to cancel this current contract if/when needed.

DMS Facility Services, LLC for RFOTC Janitorial Services – B01472

On May 13, 2013, a competitive bid was issued for janitorial services at the RFOTC, resulting in a blanket order contract award to DMS Facility Services, LLC for one year, with the option for up to four annual renewals. The current annual contract value is \$131,940.

On September 15, 2015, the OCFA received notification that as a result of the minimum wage increase effective January 1, 2016, the contract would increase to \$141,425 for the upcoming contract year (October 2015 – September 2016, reflecting 3 months at the former rate and 9 months at the increased rate) and to \$144,587 for the following year. Therefore, staff is requesting approval to increase and renew the contract (Attachment).

[Attachment\(s\)](#)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Blanket Order Contracts – Property Management
Proposed Renewals**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Amount
David Wheeler Pest Control <i>Pest Control Services</i> B01433	<u>09/30/2015</u> 09/30/2016 09/30/2017	\$30,000	\$30,000 \$30,000 \$30,000
O'Connell Landscape Maintenance <i>RFOTC Landscape Maintenance</i> B01556	<u>11/30/2015</u> 11/30/2016 11/30/2017 11/30/2018 11/30/2019	\$53,257	\$55,000 \$55,000 \$55,000 \$55,000
DMS Facility Services <i>Janitorial Services at RFOTC</i> B01472	<u>9/30/2015</u> 9/30/2016 9/30/2017	\$131,940	\$141,425 \$144,587



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 15, 2015

Agenda Item No. 3F
Consent Calendar

Blanket Order Contract Renewals - Information Technology

Contact(s) for Further Information

Mike Schroeder, Assistant Chief
Support Services Department

michaelschroeder@ocfa.org

714.573.6008

Joel Brodowski, IT Manager

joelbrodowski@ocfa.org

714.573.6421

Summary

This agenda item seeks approval to renew and increase blanket orders for Zoll Data Systems, Inc., Deccan International, Geospatial Technology, Citrix Online, Leavitt Communications software maintenance and pager repair contracts as specified in the report.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

1. Approve and authorize the Purchasing Manager to renew and increase sole source blanket order contracts with Zoll Data Systems, Inc. for the Orange County Fire Incident Reporting System, Deccan International for the Fire/EMS Computer Aided Dispatch analysis and planning software, and Geospatial Technology for software used by the Regional Automatic Vehicle system.
2. Approve and authorize the Purchasing Manager to renew the blanket order contracts with Citrix Online for web conferencing and training services, and with Leavitt Communications for pager repairs.

Impact to Cities/County

Not Applicable.

Fiscal Impact

The requested renewals have been anticipated and are available in the FY 2015/16 Budget General Fund.

Background

Each of the contracts is required to continue business as it is currently being done. In the case of the two sole source requests, service can only be provided by that company; therefore, this request is in compliance with sole source requirements of the OCFA Purchasing Ordinance. Contract dates and values are included in the attachment and information regarding the purpose of each contract is listed below.

ZOLL Data Systems, Inc. - Orange County Fire Incident Reporting System (OCFIRS) Software Maintenance Agreement

OCFIRS is the system used by OCFA emergency personnel for emergency incident reporting. This system will be replaced by the future Records Management System (RMS) that is part of the Public Safety Systems Replacement Project. The RMS selection is ongoing. Staff anticipates using the OCFIRS system for another year; therefore, staff is requesting extending the software maintenance agreement for two years.

Deccan International - Fire/EMS Computer Aided Dispatch Analysis Software Licensing and Maintenance Agreement

The OCFA Strategic Services section uses Deccan International's software products to analyze OCFA emergency response performance, determine optimum locations for new fire stations and emergency apparatus, and for "What if?" questions regarding future deployment scenarios of OCFA resources. Staff is requesting renewal of the software license for one year, while staff reviews other solutions for performing the analysis.

Geospatial Technology (GST) – Customized Automatic Vehicle Location (AVL) Interface Software Licensing

The OCFA participates in a regional AVL system that identifies and locates all fire emergency apparatus used by all of the Orange County Fire Departments. Geospatial Technology is one of the software vendors used to provide AVL information to the regional AVL system. Staff is requesting to renew this contract for one additional year, while the current regional AVL system is upgraded. After the upgrade, the GST software will be retired.

Citrix Online - GoToMeeting and Web-based Training

The OCFA uses GoToMeeting web-hosting licenses for online meetings and training for OCFA employees. It is possible that another web-based meeting and training service may be identified as the specifications for the board and training rooms' audio/video (A/V) systems is completed. The A/V upgrade project is moving forward since the contract was recently signed. Planning and design meetings have commenced. Staff is requesting renewal of this contract for one year while the design and upgrade to the AV systems are implemented.

Leavitt Communications - Repairs for Non-warranty OCFA 900MHz Pagers

The OCFA uses 900MHz pagers to alert personnel to respond to emergency incidents. Leavitt Communications repairs the pagers not covered under warranty. Staff reviewed competing private sector paging solutions in the past year which did not meet the performance of the current paging solution that is hosted by the Orange County Sheriff Department's Communications and Technology Department. Staff is currently implementing unit alerting via 800MHz radio and is requesting to renew this repair contract for an additional year, while alerting via 800MHz radios is implemented and tested as a possible replacement to the current paging solution which is reaching its end of life.

[Attachment\(s\)](#)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Proposed Blanket Order Contracts**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	New Annual Total
ZOLL Data Systems, Inc. <i>Computer software used for emergency incident reporting annual maintenance and licensing</i> BO1012-9	<i>10/31/2016</i> <i>10/31/2017</i>	\$64,000.00 \$64,000.00
Deccan International <i>Computer software used for analyzing emergency apparatus response performance and optimum deployment of resources</i> BO1147-6	<i>10/31/2016</i>	\$48,750.00
Geospatial Technology <i>AVL software used for identifying and tracking Emergency apparatus</i> BO1321-3	<i>11/30/2016</i>	\$2,400.00
Citrix Online <i>GoToMeeting software licenses for OCFA employees</i> BO1343-8	<i>10/31/2016</i>	\$13,692.00
Leavitt Communications <i>900MHz pager repair contract for non-warranty pagers</i> BO1316-4	<i>10/31/2016</i>	\$10,000.00



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 15, 2015

Agenda Item No. 4A
Discussion Calendar

Replacements for Broker/Dealer List

Contact(s) for Further Information

Patricia Jakubiak, Treasurer
Treasury & Financial Planning

triciajakubiak@ocfa.org

714.573.6301

Summary

This agenda item is submitted to the Committee to request approval to add two firms to the current list of broker/dealers to replace UBS Financial Services.

Prior Board/Committee Action

The Broker/Dealer list was approved by the Budget and Finance Committee on March 11, 2015 and the Executive Committee on March 19. On May 15, OCFA terminated its relationship with UBS Financial Services after it was disclosed that the firm had violated a Non-Prosecution Agreement with the Department of Justice. Due to the Budget and Finance Committee's October meeting taking place in the same week as the Executive Committee, the Budget and Finance Committee Chair will provide a report on the Committee's recommendations prior to taking action on this item.

RECOMMENDED ACTION(S)

Approve the addition of RBC Capital Markets, LLC and Wedbush Securities Inc. to the Broker/Dealer List, which already includes FTN Financial Securities Corp. and Raymond James Financial Services Inc., and authorize the List for a term of two years through October 31, 2017.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

On June 1, 2015, OCFA sent a Request for Qualifications (RFQ) for broker/dealer services through the Planet Bid website. Nineteen firms submitted responses by the June 30 deadline, of which, six were excluded due to incomplete submittals or conflict, and 13 were evaluated:

Alamo Capital	Multi-Bank Securities, Inc.	Academy Securities Inc. *
CastleOak Securities, LP	Oppenheimer & Co., Inc.	Deutsche Bank Securities Inc.*
Great Pacific Securities	RBC Capital Markets, LLC	Jefferies LLC *
Higgins Capital Mgmt., Inc.	Rice Securities, LLC	MUFG Union Bank (broker A) **
Mesirow Financial	Stifel	MUFG Union Bank (broker B) **
Mischler Financial Group	Wedbush Securities Inc.	Mutual Securities *
	Wells Fargo Securities, LLC	

* Firm submitted incomplete response

**Firm was excluded due to conflict with existing OCFA banking/custodial agreement.

The proposals were evaluated by the Treasurer and Assistant Treasurer based on the following selection criteria and weighting set forth in the RFQ:

- Primary or regional dealer (10 points)
- Branch office in California (10 points)
- Experience/resumes (50 points)
- FINRA certification (10 points)
- Form 10-K or financials (net capital position) (50 points)

The two firms that scored the highest in the evaluations and are being recommended as additions to OCFA's approved list of qualified broker/dealers are RBC Capital Markets, LLC and Wedbush Securities Inc. Staff is requesting authorization of this list for a period of two years through October 31, 2017. Staff has the ability to discontinue use of the approved brokers at any time, and prior to the conclusion of the two year period, OCFA will issue a new RFQ and return to the Executive Committee for approval of a renewed list at that point in time.

The attached FINRA reports provide additional information on any disclosure events where the firm was named as a respondent. In reviewing the FINRA reports, staff placed emphasis on information specific to the Lead Broker assigned to OCFA, and noted that the Lead Broker from each recommended firm has no disclosure events in FINRA.

Attachment(s)

1. Summary of FINRA regulatory event report for RBC Capital Markets, LLC
2. Summary of FINRA regulatory event report for Wedbush Securities Inc.

FINRA reports are on file with the Clerk and available upon request.

RBC Capital Markets, LLC

Firm Profile

Year Formed	2010
2014 Revenues	\$34.11 Billion
Number of Employees	78,000
Types of Businesses	21
Number of Countries	40
Orange County Clients Include	County of Orange
Lead Broker's Securities Industry Experience	28 years
Lead Broker's FINRA* Disclosure Events	-0-

*FINRA- Financial Industry Regulatory Authority

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

A Disclosure Events Pending				
	None			
B Disclosure Events Where Claim was Upheld				
	Initiated	Resolved	Product Type	Description
	1/23/2015	1/23/2015	No Product	Firm failed to register an individual appropriately as an investment advisor.
	6/12/2012	6/12/2012	Auction Rate Securities (ARS)	Firm did not adequately disclose the risks of ARS.
	7/20/2011	5/2/2012	Leveraged, Inverse, and Inverse-Leveraged Exchange Traded Funds (ETFs)	Firm made unsuitable recommendations to clients regarding the purchase and sale of leveraged, inverse, and inverse-leveraged ETFs.
	6/2/09 - 7/7/2011	6/2/09 - 7/7/2011	ARS	Firm failed to disclose to customers the increased risks of ARS (individual disclosure events filed for various states).
	5/2/2006	5/2/2006	No Product	Investment advisors conducted business in Rhode Island without being properly licensed.
	2/8/2005	2/8/2005	Equity	Firm failed to identify short sale transactions in their reporting.
	9/27/2001	9/27/2001	Municipal Debt	Prior to being acquired by RBC, Rauscher Pierce Refsnes Inc., (now known as Dain Rauscher Inc., and acquired by RBC in 2000) in the sale of pension bonds, made false and misleading statements to purchasers and prospective purchasers of the securities.
	4/6/2000	4/6/2000	Municipal Bonds	From 1990 to 1994 ten firms including Dain Rauscher charged excessive markups on Treasury securities used for refunding bond escrows.
	6/1/1996	6/30/1999	No Product	Four representatives in Oklahoma were not registered as investment advisors.

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

B Disclosure Events Where Claim was Upheld				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
9/23/1970	9/23/1970	Other	Rauscher Pierce Refsnes, failed to supervise two employees.	
11/8/1985	11/8/1985	Other	Rauscher Pierce Refsnes failed to have qualified managers in three branch offices.	
7/19/1982	7/19/1982	Index Options	Rauscher Pierce Refsnes effected option transactions prior to receiving signed customer option agreements.	
7/27/1993	7/27/1993	Other	Rauscher Pierce Refsnes failed to supervise a registered representative.	
10/14/1991	6/16/1994	Other	Rauscher Pierce Refsnes acted as a broker/dealer in Maine prior to being registered as such.	
12/1/1988	10/8/1990	Other	Rauscher Pierce Refsnes effected transactions in securities that were not registered or exempt in Oklahoma.	
11/3/1992	12/8/1992	Other	Same as above in New Hampshire.	
8/26/1997	9/9/1997	Insurance	Dain Bosworth improperly advised one of its agents that with a non-resident Minnesota life insurance license, he was not required to complete the State's requirement for continuing education.	
6/1/1991	6/12/1991	Other	Dain Bosworth failed to supervise a branch manager and salesperson.	
4/1/1974	4/11/1974	Other	Rauscher Pierce Refsnes sold shares of a new issue to classified persons and failed to report those sales.	
8/30/1988	8/30/1988	Other	Rauscher Pierce Refsnes failed to review two offices annually and delayed submission of questionnaire to the National Association of Securities Dealers (NASD).	
1/1/1988	6/15/1989	Other	Rauscher Pierce Refsnes failed to maintain written procedures.	

RBC Capital Markets, LLC
 FINRA Broker Check Report
 As of August 31, 2015

B Disclosure Events Where Claim was Upheld				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	1/11/1995	1/11/1995	Equity- Over the Counter (OTC)	Rauscher Pierce Refsnes failed to make a bona fide public distribution by holding 500 shares of a 125,000 share offering in an inventory account.
	2/14/1995	8/26/1996	Equity-OTC	Rauscher Pierce Refsnes failed to make a bona fide public distribution in connection with a public offering.
	1/8/1986	1/8/1986	Equity-OTC	Dain Bosworth violated rules of fair practice.
	5/31/1983	5/31/1983	Equity-OTC	Dain Bosworth violated rules of fair practice.
	8/3/1998	8/13/2002	Municipal Debt	Rauscher Pierce Refsnes violated certain anti-fraud provisions of the Securities Act of 1933 when it acted as either underwriter or financial advisor in the sale of taxable notes and a pooled tax and revenue anticipation note.. The note proceeds were invested in the Orange County Investment Pool , and the County subsequently declared bankruptcy.
	4/27/1999	7/23/1999	Equity-OTC	The firm Dain failed to immediately display customer limit orders, failed to obtain the most favorable price and failed to timely execute the order.
C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
	7/27/2015	7/27/2015	Other	Firm failed to transmit reportable order events to the Order Audit Trail System (OATS). Firm's system was not reasonably designed to achieve compliance with securities laws and FINRA rules.
	6/18/2015	6/18/2015	Municipal Debt	Firm conducted inadequate due diligence in certain offerings and as a result, sold securities on the basis of materially misleading disclosure documents.
	3/18/2015	3/18/2015	No Product	Employees accepting client orders were not properly licensed in Maryland.

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
4/23/2015	4/23/2015	Reverse Convertible Notes	Firm’s supervisors failed to detect the sale by its registered representatives of reverse convertible transactions that were unsuitable for certain customers. Reverse convertibles, a complex structured product, are interest-bearing notes in which principal repayment is linked to the performance of a reference asset, usually a stock, a basket of stocks, or an index.	
10/2/2014	12/1/2014	No Product	Firm failed to register several employees as proprietary traders with the Chicago Board Options Exchange (CBOE). It also failed to register its Chief Compliance Officer with the CBOE.	
10/1/2014	11/5/2014	Commodity Futures	Firm failed to submit order entry operator identifiers.	
9/16/2014	9/16/2014	Equity - OTC	Firm failed to execute customer limit orders and instead traded the same securities for its own account.	
6/16/2014 – 7/2/14	6/16/2014 – 7/2/14	No Product	Employees accepting client orders in Nebraska, New York, and Missouri were not properly licensed in that state.	
6/27/2014	6/27/2014	No Product	Firm transmitted to OATS reports for which it did not have an OATS reporting responsibility.	
4/21/2014 – 7/12/2013	4/21/2014 – 11/14/2013	No Product	Employees accepting orders were not properly licensed in the state (individual disclosure events filed for various states).	
11/13/2013	11/13/2013	Municipal Debt	Firm failed to execute customer limit orders after it traded each subject security for its own account. The firm purchased and sold municipal securities at a price that was not fair and reasonable. Firm also failed to report certain transactions to the Trade Reporting and Compliance Engine (TRACE).	

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
11/5/2013 – 9/26/2013	11/5/2013 – 9/26/2013	No Product	Employees accepting client orders were not properly licensed in Rhode Island (individual disclosure events filed for various states).	
10/15/2013	10/15/2013	Common & Preferred Stock	Firm incorrectly coded orders it routed to the National Association of Securities Dealers Automated Quotations System (NASDAQ).	
9/11/2013 – 7/8/2013	9/11/2013 – 7/8/2013	No Product	Employees accepting client orders were not properly licensed in Illinois, North Dakota, Alabama, Texas, and Colorado.	
6/24/2013	6/26/2013	Commodity Futures	Firm did not report a trade to CBOE within the time requirement.	
4/24/2013	4/24/2013	Municipal Debt Corporate Bonds Equities , ARS	Firm failed to obtain the most favorable price for customers. Firm failed to transmit reportable events regarding orders to OATS. Firm failed to report the results of ARS interest rate reset. Firm failed to report transactions that were TRACE eligible.	
4/25/2013	4/25/2013	No Product	Firm incorrectly entered orders into NASDAQ.	
3/11/2013	3/11/2013	No Product	Firm failed to keep accurate books and records of monthly account reviews.	
10/3/2012	12/21/2012	Options	Inaccurate entries were submitted into the firm’s large options position report.	
12/14/2012	12/14/2012	Equities	Firm incorrectly entered an order into NASDAQ.	
12/12/2012	12/12/2012	Municipal Debt	Firm incorrectly reported orders to OATS. Firm did not obtain the most favorable price for customers. Firm failed to timely report TRACE eligible transactions.	
7/16/2012	7/16/2012	Other	Firm underwent a merger combining the institutional firm with its affiliated retail firm and experienced difficulties reconciling accounts which resulted in incorrect reserve calculations and subsequent deficiencies.	

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
5/10/2012	5/10/2012	Closed End Funds	Firm did not have a system and written procedures to detect patterns of unsuitable trading of closed-end funds.	
1/3/2012	1/3/2012	Collateralized Mortgage Obligations (CMO's)	Firm charged retail clients markups and markdowns on CMO's that exceeded the firm's guidelines.	
11/8/2011	11/8/2011	Municipal Debt & OTC Transactions	Firm failed to report transactions in TRACE eligible securities within 15 minutes of execution. Firm also incorrectly reported certain information to customers and failed to get the most favorable price.	
9/28/2011	9/28/2011	No Product	Firm failed to assign unique login ID's to several employees who accessed the Futures Exchange Electronic Trading Platform.	
9/27/2011	9/27/2011	Synthetic Collateralized Debt Obligations	Firm sold to school districts credit-linked notes that were tied to the performance of collateralized debt obligations holding a portfolio of corporate credit default swaps. These products were not suitable for municipalities and the firm failed to adequately disclose the risks.	
8/25/2011	8/25/2011	Municipal Debt	The firm bought and sold municipal securities for its own account from a customer at a price that was not fair and reasonable.	
10/20/2010	10/20/2010	Reverse Convertible Notes (RCN's)	Firm failed to have adequate supervisory procedures governing the sale of RCN's and to reasonably supervise the accounts that purchased them. The risks were inappropriate for some clients.	
8/9/2010	9/15/2010	No Product	Firm failed to implement adequate controls to prevent wash trading activity where the same person buys and sells stock to give the appearance of high volume.	

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
4/1/2010	5/1/2010	Common & Preferred Stock	Firm did not enforce policies and procedures designed to prevent excessive trading in a customer's account.	
1/6/2010	1/6/2010	Municipal Debt	Firm failed to correctly report transactions and within the required timeframe. Firm failed to disclose to customers that it was a market maker in certain securities. Firm did not obtain the most favorable price for customers. Firm failed to execute orders fully and promptly.	
1/6/2010	1/6/2010	Other	Firm entered orders into NASDAQ and failed to indicate whether it was a buy, short sale, or long sale.	
10/22/2009	1/4/2010	Penny Stocks	Firm sold unregistered securities.	
1/4/2010	1/4/2010	No Product	Firm failed to maintain adequate written supervisory procedures relating to non-cash compensation.	
1/4/2010	1/4/2010	Municipal Securities	Acting as an underwriter, firm failed to submit official statements to Municipal Securities Rulemaking Board (MSRB) in a timely manner.	
3/16/2009	3/16/2009	Stock Loans	Firm allowed a non-registered finder to act in the capacity of a registered broker-dealer and to receive profit-based payments.	
2/24/2009	2/24/2009	No Product	Firm violated fair dealing gifts and gratuities rules of the MSRB by advancing the payment of expenses for their client's annual trip to meet with rating agencies regarding a municipal bond issuance. Expenses included high-end restaurants, sporting events, Broadway shows and private car service. Firm was reimbursed out of bond proceeds.	

RBC Capital Markets, LLC
 FINRA Broker Check Report
 As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
9/11/2008	10/8/2008	No Product	Firm entered orders into New York Stock Exchange (NYSE) that were not consolidated to round lots. Daily trade reports contained inaccurate information. Firm did not have appropriate procedures to maintain compliance with NYSE rules.	
10/8/2008	7/8/2009	Options	Research analysts employed by the firm's Canadian affiliate issued research reports in the US without having the proper registration.	
1/10/2008	1/10/2008	Municipal Debt	Firm failed to report transaction information within 15 minutes of trade.	
1/3/2008	1/3/2008	Equity-OTC	Firm accepted short sale orders from customers without making an affirmative determination that it would require delivery of the security on behalf of the customer or borrow it by settlement date.	
6/29/2007	10/4/2007	Other	Firm failed to ensure delivery of prospectuses and product descriptions for the sale of registered securities.	
4/2/2007	4/2/2007	Other	Due to an administrative error, an investment advisor's registration request for South Dakota was not submitted when they transferred to the firm.	
3/19/2007	4/18/2007	Other	Firm did not have an adequate anti-money laundering compliance program.	
12/11/2006	12/11/2006	Mutual Funds	Firm failed to establish systems and enforce procedures to ensure all eligible investors received the benefit of net asset value transfer programs where they could purchase Class A shares without any sales charges.	
7/11/2006	7/11/2006	Other	Firm failed to submit required information to OATS.	
5/31/2006	5/31/2006	ARS	Firm violated rules for bidding ARS.	

RBC Capital Markets, LLC
 FINRA Broker Check Report
 As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
10/28/2005	10/28/2005	Other	Firm bought from a customer or sold to a customer securities for its own account at a price that was not considered fair.	
6/3/2005	6/3/2005	No Product	Firm failed to accept or decline transactions within twenty minutes after execution.	
6/8/2005	6/8/2005	Mutual Funds	Mutual funds paid the firm a fee for preferential treatment. Firm failed to establish and maintain a system to prevent electronic mail retention violations.	
11/30/2004	11/30/2004	No Product	Firm filed amendments to brokers' registration and termination forms late.	
8/13/2004	10/22/2004	Other	Firm failed to fund its proprietary account. It also entered proprietary orders while representing customer orders that could have been entered at the same price.	
10/15/2004	10/15/2004	No Product	Firm allowed an individual to engage in activities requiring registration as a general securities principal when he was not registered as such.	
9/23/2004	9/23/2004	Municipal Securities	Based on bids from a broker, the firm purchased and sold securities at a price that was not fair and reasonable.	
8/27/2003	8/27/2003	Other	Firm failed to accept or decline transactions within twenty minutes after execution.	
6/26/2003	6/26/2003	Other	The firm, who was a market maker in certain securities, was a party to a locked market condition where the bid and offer are the same price.	
6/3/2003	8/22/2003	Other	Firm failed to preserve timely records relating to the execution of customer orders.	
4/2/2002	4/2/2002	Corporate Debt	Firm incorrectly reported transactions.	
12/20/2002	2/5/2003	Common & Preferred Stock	Firm violated NYSE rules regarding outside accounts and continuing education requirements.	

RBC Capital Markets, LLC
FINRA Broker Check Report
As of August 31, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
1/30/2003	1/30/2003	Other	Firm failed to report transactions to the Fixed Income Pricing System (FIPS) within five minutes after execution.	
8/5/2002	8/5/2002	Other	As a market maker in certain securities, the firm caused a locked market condition and failed to honor its published quote.	
1/14/2002	1/14/2002	Mutual Funds	Firm did not have policies and procedures in place to assess the suitability of Class B share purchases by customers who would have benefited from purchasing Class A shares with a lower cost.	
10/2/2001	10/2/2001	OTC	Firm failed to report transactions to the FIPS within five minutes after execution.	
10/27/2000	10/27/2000	OTC	Firm failed to report the correct execution time into FIPS and to report the transaction within five minutes after execution.	
6/16/2000	6/16/2000	OTC	Firm entered inaccurate pricing and reporting times into FIPS.	
8/1/1989	9/12/1989	Options	The firm Rauscher Pierce Refsnes failed to supervise an employee who effected unsuitable option transactions in two customer accounts.	
12/1/1994	12/1/1994	Other	DAIN Bosworth failed to request an exemption for the private placement of a limited partnership.	
11/1/1997	3/20/1998	Equity-OTC	A division of Dain Rauscher executed several short sales at the lower of bids.	
10/3/1989	10/3/1989	Equity-OTC	A former employee of Dain Bosworth made unsuitable trades in a customer's account.	

Wedbush Securities Inc.

Firm Profile

Year Formed	1955
Revenues	N/A
Number of Employees	1,000
Types of Businesses	18
Number of Countries	1
Orange County Clients Include	Aliso Viejo and Lake Forest
Lead Broker's Securities Industry Experience	27 Years
Lead Broker's FINRA* Disclosure Events	-0-

*FINRA- Financial Industry Regulatory Authority

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

A Disclosure Events Pending				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	4/10/15	N/A	Other	Complaint alleges firm's supervisory systems and procedures governing market access were deficient. Firm did not have adequate risk management controls in place. Firm established a compensation system rife with potential conflicts of interest.
	12/18/14	N/A	Municipal Debt	Complaint alleges the firm created and produced to FINRA false and misleading documents related to its review of reports on municipal securities transactions.
	8/18/14	N/A	No Product	Alleges firm failed to have a supervisory system designed to achieve compliance with securities laws and FINRA and NYSE rules. Firm failed to establish, maintain and enforce adequate anti-money laundering policies and procedures and also failed to monitor, detect and report potential suspicious activities by its customers.
	6/4/2014	N/A	No Product	Alleges the firm failed to provide trade data requested by SEC and FINRA (blue sheets). Firm lacks adequate audit system and supervisory system to achieve compliance with securities laws and regulations.
B Disclosure Events Where Claim was Upheld				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	6/6/14	11/20/14	Other	Firm did not have a system of risk management controls and procedures to ensure compliance with all regulatory requirements, failed to file reports of suspicious trading activity and to preserve copies of communications containing trading instructions.
	12/11/13	2/27/14	Options	Firm failed to establish and maintain a unique logon ID.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

B Disclosure Events Where Claim was Upheld				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	11/13/12	3/8/13	Insurance	Firm failed to include administrative actions on the NY insurance application.
	11/18/10	8/5/11	No Product	Firm operated a branch office in Nevada without a license from the Nevada Securities Division.
	1/27/10	1/27/10	Other	Firm failed to provide timely responses to NYSE requests for information which impeded and delayed investigations.
	2/24/09	3/31/10	No Product	Firm initially failed to provide the New Jersey Bureau of Securities documents regarding a former employee needed to review that individual's application to be a registered agent in NJ.
	1/31/06	5/8/08	Other – Electronic Blue Sheets	Firm failed to submit accurate trading information to the NYSE; failed to establish and maintain systems and procedures to comply with reporting requirements.
	12/12/05	1/6/09	Other	Firm did not receive consent from NYSE to set up a Paris office. Firm did not provide supervision to registered representative in that office. Firm did not implement policies, procedures and internal controls to achieve compliance with the Bank Secrecy Act.
	7/1/88	7/1/88	Other	Three agents were not properly registered in Oregon.
	11/30/87	11/30/87	Other	Firm offered and sold unregistered securities in Idaho.
	2/6/78	3/9/79	No Product	In its renewal application for Colorado, the firm failed to include audited financial statements, filing fee and notarized signatures.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

B Disclosure Events Where Claim was Upheld				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	1/23/78	1/23/78	No Product	In the state of Washington, the firm advertised that it paid interest on customers balances intended for reinvestment. The State deemed this an offering of unregistered securities.
	2/22/84	3/31/88	Common and Preferred Stock	Firm failed to provide proper supervision over 2 salesmen in its Bellevue, WA branch office and delayed providing information to NASD about their activities.
	9/28/99	9/28/99	No Product	Firm had actual sales orders that were not priced the same as what the firm posted on the public quote system.
	10/6/97	10/6/97	Other	The firm and an individual failed to timely file political contribution form.
	7/21/86	7/21/86	Other	Firm did not maintain possession of securities used in a margin account; did not require employee who telecasts business news to provide copies of his scripts and did not keep a log of his engagements.
	4/12/94	2/3/95	Other	Firm failed to ensure that certain accounts maintained the margin equity required. Firm's written communications did not include adequate disclosure regarding the firm's position as a market maker and employees' interests. Firm did not establish procedures allowing employees to make radio and television appearances. Compliance department did not approve sales literature pertaining to options.
	6/18/85	7/22/85	Other	Firm charged excess spread.
	8/28/81	6/12/84	Other	Firm failed to make bona fide public distribution of stock by allotting shares to family members.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

B Disclosure Events Where Claim was Upheld				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	7/29/91	6/20/94	Other	Employee made unsuitable recommendations to customers based on their financial situation and needs.
	10/7/87	10/7/87	Other	Firm's agent executed two sales transactions in Georgia and was not registered in the state.
	2/5/87	4/7/87	Other	Firm failed to report its NASDAQ volume in one security.
	9/25/86	1/12/87	Other	Same as above.
C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
	5/12/15	5/12/15	Other	Firm failed to record accurate execution times for transactions.
	4/8/15	4/8/15	No Product	Firm incorrectly reported transactions.
	12/9/14	12/9/14	Other	Firm failed to submit accurate and complete reports to the Order Audit Trail System (OATS); failed to disclose its capacity in transactions to customers; failed to report transaction within 15 minutes to Trade Reporting and Compliance Engine (TRACE).
	11/3/14	11/3/14	Junk Bonds	Firm sold non-investment grade Puerto Rico bonds to retail customers for whom such bonds may not have been considered suitable.
	10/22/14	10/22/14	Common and Preferred Stock	Firm failed to deliver securities to cover a position within the required timeframe.
	5/15/14	5/15/14	No Product	Firm failed to correctly indicate the type of sales order.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	12/19/13	12/19/13	Common and Preferred Stock	Firm failed to comply with requirements governing the cancellation of sales orders on the NYSE.
	10/16/13	10/16/13	Municipal Debt	Firm failed to execute orders fully and promptly; did not obtain the most favorable price for its customers and incorrectly reported trades.
	9/27/13	10/7/13	Equities – OTC	Firm submitted inaccurate reports to FINRA and failed to report TRACE eligible transactions within 15 minutes of execution time.
	6/25/13	6/25/13	Other	Firm failed to disclose to customers its capacity in transactions and the correct price and price details; failed to report trades correctly.
	4/2/13	4/2/13	Other	Firm’s supervisory system and procedures were inadequate to comply with securities law rules and regulations. Orders were incorrectly entered into NASDAQ system.
	11/30/12	1/2/13	Options	Firm submitted orders with incorrect information and failed to maintain a system to comply with NYSE option rules.
	11/21/12	11/21/12	Common and Preferred Stock	Firm failed to prohibit short sales by non-broker dealer sponsored access clients of the firm.
	10/19/12	10/19/12	Municipal Offerings	Firm did not timely file official statements.
	5/21/12	5/21/12	Options	Firm exercised an option after the cutoff time based on material information released after the cutoff time.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>	
3/30/12	6/25/13	Equities – OTC	Firm failed to report sales orders to OATS timely and correctly and failed to properly supervise and register employee.	
12/15/11	12/15/11	Corporate Debt	Employee at one of the firm’s branch offices erroneously tendered corporate bonds held in 5 customers’ accounts.	
8/31/10	4/18/11	No Product	Firm failed to report regulatory actions to Colorado Division of Insurance.	
2/2/11	9/10/11	Variable Annuities	Firm failed to establish and maintain a supervisory system to ensure compliance with rules and regulations related to variable annuities; failed to supervise 2 representatives.	
2/2/11	9/10/12	Annuities and Mutual Funds	Failed to notify the Connecticut Insurance Department of administrative actions against the firm.	
10/20/10	10/20/10	Other	Firm failed to report TRACE eligible transactions within 15 minutes of execution; orders reported incorrectly.	
9/20/10	4/4/13	No Product	Firm failed to provide complete information to FINRA on a timely basis; failed to implement and maintain procedures to ensure compliance.	
8/19/10	8/19/10	Municipal Securities	Firm failed to report the correct time on trades and within the required 15 minutes.	
6/29/10	6/29/10	No Product	Firm’s written supervisory procedures were not reasonably designed to achieve compliance with NASDAQ rules concerning clearly erroneous transaction complaints.	
5/19/10	5/19/10	Equity – OTC	Firm failed to execute orders fully and promptly and to obtain the most favorable price.	
4/30/10	4/30/10	Equity – OTC	Firm failed to display certain sales orders in NASDAQ system and to transmit reports to OATS.	

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	4/6/10	4/6/10	Other	Firm incorrectly reported sales transactions.
	3/15/10	3/15/10	Municipal Debt	Firm sold securities to customers from its own account at a price not considered fair and reasonable.
	3/30/09	3/30/09	Municipal Debt	Firm failed to report trade information within required 15 minutes.
	12/3/08	12/3/08	Corporate Debt	Firm inaccurately reported the execution time on TRACE eligible transactions.
	11/24/08	11/24/08	No Product	Firm failed to timely report order events to OATS.
	9/24/08	9/24/08	Common and Preferred Stock and Municipal Securities	Firm failed to report trade information within the required 15 minutes.
	6/27/06	9/24/08	Equity – OTC	Firm reported trades incorrectly.
	9/24/08	9/24/08	Equity – OTC	Reports submitted to OATS were incorrect. Data was incomplete and inaccurate.
	7/14/08	5/5/09	Options	Firm did not provide information in a timely manner to the American Stock Exchange in connection with an investigation and made material misstatements.
	3/29/07	3/29/07	No Product	Firm did not file U-5 forms for terminated employees within 30 days of termination.
	12/7/07	1/9/08	Other	As a market maker, firm failed to maintain two-sided quotes.
	1/9/07	1/9/07	Other	Firm failed to submit required information to OATS. Firm's supervisory system was not designed to achieve compliance with applicable securities laws, rules and regulations.

Wedbush Securities Inc.
FINRA Broker Check Report
As of July 27, 2015

C Disclosure Events Where Firm Paid Fine Without Admitting or Denying the Findings				
	<u>Initiated</u>	<u>Resolved</u>	<u>Product Type</u>	<u>Description</u>
	12/14/06	12/14/06	Mutual Funds	Firm effected late trading in mutual funds after market close.
	3/29/07	3/29/07	No Product	Firm filed U-5 forms late.
	7/25/06	12/20/06	Equity – OTC	Firm did not transmit last sales report within 90 seconds after execution.
	3/16/06	3/16/06	Other	Firm failed to transmit sales reports within 90 seconds after execution and to obtain the most favorable price for its customers.
	8/20/04	8/20/04	Equity – OTC	Firm failed to transmit transaction reports within 90 seconds of execution.
	12/12/02	12/12/02	Other	Same as above.
	12/5/02	12/5/02	Common and Preferred Stock	Firm failed to display immediately customer sales limit orders in NASDAQ system which could have improved the bid.
	11/19/02	11/19/02	Common and Preferred Stock	Firm failed to honor its published quotes in several instances.
	11/19/02	11/19/02	Common and Preferred Stock	As a market maker, the firm failed to fill an incoming trade within 30 seconds creating a locked/crossed market condition.
	10/10/01	10/10/01	No Product	Firm failed to time stamp order tickets promptly for manual transaction orders.
	3/30/99	3/30/99	Other	Firm failed to honor its published quote.