



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## Budget and Finance Committee Meeting

Wednesday, January 13, 2016

12:00 Noon

### Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Jerry McCloskey, Chair

Beth Swift, Vice Chair

Gene Hernandez Al Murray Tri Ta Ed Sachs

Bruce Channing - Ex Officio

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 Budget and Finance 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 Budget and Finance 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. Speaker Forms are available on the counter noted in the meeting 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. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

## CALL TO ORDER

## PLEDGE OF ALLEGIANCE by Vice Chair Swift

## ROLL CALL

## PUBLIC COMMENTS

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.

## **2. MINUTES**

### **A. Minutes for the November 4, 2015, Budget and Finance Committee Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

## **3. CONSENT CALENDAR**

### **A. Monthly Investment Reports**

Submitted by: Tricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

### **B. First Quarter Financial Newsletter**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

### **C. Quarterly Status Update – October to December 2015 Orange County Employees' Retirement System**

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

Recommended Action:

Receive and file the report.

### **D. Quarterly Change Order Report**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**E. 2015 Urban Areas Security Initiative Grant Agreement to Transfer Property or Funds**

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Fire Chief to execute the agreement and any necessary attachments to accept and administer the Urban Area Security Initiative (UASI) Grant Program award.
2. Approve a Budget Adjustment to the FY 2015/16 General Fund (121) to increase revenue and appropriations by \$167,727 for the FY 2015 UASI Grant award.

**4. DISCUSSION CALENDAR****A. Community Risk Reduction Staffing and Workload**

Submitted by: Lori Smith, Assistant Chief/Fire Marshal/Community Risk Reduction Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve changes to the Master Position Control list unfreezing the Community Risk Reduction positions as described in the report.
2. Direct staff to include funding in the proposed Mid-Year FY 2015/16 Budget Review and the FY 2016/17 Proposed Budget to restore two frozen positions in the Community Risk Reduction Department, as recommended in the report.

**B. Communications and Public Affairs Department Staffing and Workload**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve changes to the Master Position Control list to add two Public Information Officer positions as described in the report.
2. Direct staff to include funding in the proposed Mid-Year FY 2015/16 Budget Review and the FY 2016/17 Proposed Budget for two additional Public Information Officer positions.

**C. Conduct Analysis of Field Operations Urban Search & Rescue/Technical Rescue Truck Operations and Staffing**

Submitted by: Brian Young, Assistant Chief/Organizational Planning Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Establish 7.5% specialty compensation for Urban Search & Rescue trained Technical Rescue Truck personnel at an approximate annual cost of \$527,556.
2. Direct staff to include funding for a pro-rated share of this cost in the proposed Mid-Year FY 2015/16 Budget Review.

**D. Conduct Analysis of Field Operations Hazardous Materials Team Operations and Staffing**

Submitted by: Brian Young, Assistant Chief/Organizational Planning Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Establish 2.5% specialty compensation for Hazardous Material Response Team members who have achieved Specialist Certification and who have been assigned to the team for a minimum of two years at an annual cost of \$132,501.
2. Direct staff to include funding for a pro-rated share of the annual cost in the proposed Mid-Year FY 2015/16 Budget Review.

**E. Air Operations Program Enhancements: Staffing, Schedule, and Safety Management System**

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Fire Chief to add one Firefighter/Paramedic post position (three employees) to the Air Operations Helicopter Program at a cost of \$665,256 annually.
2. Direct staff to include funding for a pro-rated share of the annual cost in the proposed Mid-Year Budget Review.

**F. FY 2015/16 Mid-Year Financial Report**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a budget adjustment in Fund 121 increasing expenditures to allocate \$12,609,380 of available unencumbered funds identified in the FY 2014/15 financial audit to OCFA's unfunded pension liability.
2. Approve a budget adjustment in Fund 121 increasing expenditures to increase the FY 2015/16 Jurisdictional Equity Adjustment Payments by \$962,809 resulting in full accrual of the payments per the Second Amendment to the Amended Joint Powers Agreement, pending resolution of the appeal.
3. Approve a budget transfer of \$204,793 from Fund 121 to Fund 12110 to provide full fund balance in Fund 12110 to accommodate all Capital Improvement Program projects.
4. Approve a modification to the Five-Year Capital Improvement Program as proposed.
5. Direct staff to return to the Board of Directors in March 2016 for approval of all additional proposed budget adjustments for the FY 2015/16 budget.

**G. State Lobbying Service Amendment to Agreement**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Fire Chief to execute the second amendment to the agreement with Nielsen Merksamer Parrinello Gross & Leoni, LLP, for a contract increase of \$80,000 for additional assistance in opposition to AB 1217 or any other legislation, if needed, which forces state-mandated changes to the OCFA board composition or operation lobbying efforts.
2. Approve and authorize the Board Chair to approve and release the use of these additional funds, if needed.
3. Approve a budget adjustment in the FY 2015/16 General Fund (121) budget increasing expenditures by \$80,000 to support this contract.

**H. 2016 Grant Priorities**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors approve the 2016 Grant Priorities.

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**REPORTS**

No items.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, February 10, 2016, at 12:00 noon.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 7<sup>th</sup> day of January 2016.

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

**UPCOMING MEETINGS:**

Claims Settlement Committee Meeting	Thursday, January 28, 2016, 5:00 p.m.
Executive Committee Meeting	Thursday, January 28, 2016, 5:30 p.m.
Board of Directors Meeting	Thursday, January 28, 2016, 6:00 p.m.

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

**Budget and Finance Committee Meeting  
Wednesday, November 4, 2015  
12:00 Noon**

**Regional Fire Operations and Training Center  
Room AE117  
1 Fire Authority Road  
Irvine, CA 92602**

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## **CALL TO ORDER**

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on November 4, 2015, at 12:00 p.m. by Chair McCloskey.

## **PLEDGE OF ALLEGIANCE**

Vice Chair Swift led the assembly in the Pledge of Allegiance to our Flag.

## **ROLL CALL**

### **Present:**

Gene Hernandez, Yorba Linda  
Al Murray, Tustin  
Jerry McCloskey, Laguna Niguel  
Ed Sachs, Mission Viejo  
Elizabeth Swift, Buena Park  
Tri Ta, Westminster

### **Absent:**

None

### **Also present were:**

Fire Chief Jeff Bowman  
Assistant Chief Lori Smith  
Assistant Chief Lori Zeller  
Human Resources Director Jeremy Hammond  
General Counsel David Kendig

Assistant Chief Michael Schroeder  
Assistant Chief Dave Thomas  
Assistant Chief Brian Young  
Communications Director Sandy Cooney  
Clerk of the Authority Sherry Wentz

## **1. PRESENTATIONS**

No items.

## **PUBLIC COMMENTS (F: 12.02B3)**

Chair McCloskey opened the Public Comments portion of the meeting. Hearing no response, Chair McCloskey closed the Public Comments portion of the meeting

## **2. MINUTES**

### **A. Minutes for the October 14, 2015, Budget and Finance Committee Meeting (F: 12.02B2)**

Vice Chair Swift requested a modification to the Minutes regarding Item No. 4B. Vice Chair Swift was absent from the meeting and was noted as a second to the motion. The revisions were made to reflect the second by Director Sachs.

On motion of Director Ta and second by Vice Chair Swift, the Committee voted unanimously by those present to approve the Minutes for the October 14, 2015, Budget and Finance Committee meeting as amended.

## **3. CONSENT CALENDAR**

### **A. Monthly Investment Reports (F: 11.10D2)**

On motion of Director Ta and second by Director Murray, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of November 19, 2015, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

### **B. Annual Statement of Investment Policy and Investment Authorization (F: 11.10D)**

On motion of Director Ta and second by Director Murray, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of November 19, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2016.
2. Pursuant to Government Code Section 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2016.



#### **4. DISCUSSION CALENDAR**

##### **A. 2015 Long Term Liability Study & Expedited Pension Payment Plan (F: 17.06A)**

Assistant Chief Lori Zeller introduced Treasurer Tricia Jakubiak who provided a PowerPoint presentation on the 2015 Long Term Liability Study & Expedited Pension Payment Plan.

Ray Geagan, President of the Orange County Professional Firefighters Association, Local 3631, spoke regarding the Expedited Pension Payment Plan.

Stephen Wontrobski, Mission Viejo resident, spoke regarding cost-saving options related to Workers' Compensation.

On motion of Director Hernandez and second by Director Murray, the Committee voted to direct staff to place the item on the agenda for the Board of Directors meeting of November 19, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Direct staff to continue the Expedited Pension Payment Plan as indicated in the Updated Snowball Strategy.
2. Approve a budget adjustment in Fund 121 to allocate the \$12.6 million of available unencumbered funds identified in the FY 2014/15 financial audit to OCFA's unfunded pension liability.
3. Direct staff to evaluate options identified through discussion with the joint-labor groups to address the Retiree Medical unfunded liability.
4. Direct staff to continue seeking cost-saving options related to Workers' Compensation.

Director Sachs voted in opposition, indicating his desire to (1) consider modifying the funding goal for the Expedited Pension Payment Plan from 100% funding of the liability to 85%, and (2) better understand what other department-wide spending priorities may exist.

##### **B. Audited Financial Reports for the Fiscal Year Ended June 30, 2015 (F: 15.06)**

Assistant Chief Lori Zeller introduced Finance Manager Jim Ruane and General Accounting Manager Tammie Pickens who provided a PowerPoint presentation on the Governmental Accounting Standards Board (GASB) Statement No. 68 and the Audited Financial Reports for the Fiscal Year Ended June 30, 2015.

Assistant Chief Zeller introduced Rich Kikuchi, CPA for Lance, Soll & Lunghard (LSL), who provided an update on the Audited Financial Reports for the Fiscal Year Ended June 30, 2015.

Stephen Wontrobski, Mission Viejo resident, spoke regarding his opposition to the LSL update.

On motion of Vice Chair Swift and second by Director Sachs, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 19, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation, and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

**C. Capital Improvement Program Budget for Fire Station 10 (F: 15.04) (X: 19.07C10)**

Assistant Chief Lori Zeller provided a report on the Capital Improvement Program Budget for Fire Station 10.

On motion of Director Murray and second by Vice Chair Swift, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 19, 2015, with the Budget and Finance Committee's recommendations that the Board of Directors:

1. Approve an update to the FY 2015 – FY 2020 Five-Year Capital Improvement Program activating the replacement Fire Station 10 (Yorba Linda) from deferred status.
2. Direct staff to evaluate the timing for the Fire Station 10 construction contract award and if timing is appropriate, include the necessary expenditure budget changes of approximately \$6.5 million in the FY 2015/16 Mid-Year Budget Adjustments that will be reviewed with the Board in January 2016.

**D. Service Delivery Enhancements – Phase Two (F: 18.13)**

Assistant Chief Brian Young provided a report on the Service Delivery Enhancements – Phase Two.

Stephen Wontrobski, Mission Viejo resident, commended Fire Chief Jeff Bowman on implementing the service delivery enhancements.

On motion of Director Murray and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of November 19, 2015, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Direct staff to include funding for the Phase-Two enhancements in the proposed Mid-Year FY 2015/16 Budget Adjustments.
2. Direct staff to continue to evaluate and recommend the phase-in of service enhancements, as feasible, at six month intervals.

## **REPORTS (F: 12.02B6)**

Assistant Chief Lori Zeller provided clarification on a question asked by Director Sachs related to the GASB Statement No. 68.

## **COMMITTEE MEMBER COMMENTS (F: 12.02B4)**

Vice Chair Swift thanked Division Chief Dave Steffen for participating in Youth and Government Day in the City of Buena Park.

Director Sachs suggested that the Committee Chair and Vice Chair meet with staff prior to the Budget and Finance Committee meetings and clarified his opposition to the 2015 Long Term Liability Study & Expedited Pension Payment Plan.

Director Murray commended staff on the recently held Regional Fire Operations and Training Center Open House.

Director Hernandez spoke regarding the CAFR and complimented the Auditor's report on the Unfunded Actuarial Accrued Liability.

Chair McCloskey commended General Accounting Manager Tammie Pickens on her agenda report presentation.

Fire Chief Jeff Bowman suggested for the Committee Chair and Vice Chair to participate in future auditor exit interviews.

**ADJOURNMENT** – Chair McCloskey adjourned the meeting at 1:30 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, January 13, 2016, at 12:00 noon.

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



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 3A**  
**Consent Calendar**

**Monthly Investment Reports**

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**Contact(s) for Further Information**

Tricia Jakubiak, Treasurer Treasury & Financial Planning	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
Jane Wong, Assistant Treasurer	<a href="mailto:jane Wong@ocfa.org">jane Wong@ocfa.org</a>	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**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Since the Committee did not meet in December, attached are the final monthly investment reports for the months ending October 31 and November 30, 2015. A preliminary investment report as of December 18, 2015, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

1. Final Investment Report – October 2015/Preliminary Report – November 2015
2. Final Investment Report – November 2015/Preliminary Report – December 2015

# ***Orange County Fire Authority Monthly Investment Report***



***Final Report – October 2015***

***Preliminary Report – November 2015***



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***Orange County Fire Authority***

***Final Investment Report***

***October 31, 2015***



## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of October 2015, the size of the portfolio decreased significantly by \$25.6 million to \$132.7 million. Significant receipts for the month included a cash contract payment, a property tax apportionment, charges for current services and intergovernmental agency payments totaling \$5.0 million. Significant disbursements for the month included primarily two biweekly payrolls, which were approximately \$9.8 million each with related benefits. Significant disbursements also included a \$10.0 million payment to OCERS for the FY 2016/17 pension cost pre-payment. Total October cash outflows for operating expenditures including the OCERS pre-payment amounted to approximately \$32.4 million. The portfolio's balance is expected to increase in November.

In October, the portfolio's yield to maturity (365-day equivalent) stayed unchanged at 0.37% from the prior month. The effective rate of return, however, decreased by 5 basis points to 0.31% for the month and edged down by 1 basis point to 0.33% for the fiscal year-to-date. The average maturity of the portfolio shortened by 72 days to 77 days to maturity.

### ***Economic News***

The U.S. economy improved in October, although overall economic activity remained mixed. Employment conditions strengthened noticeably in October. There were 271,000 new jobs created for the month, a much stronger number than expected. The unemployment rate continued to improve declining further to 5.0% from 5.1%. Consumer confidence stayed mixed in October, and retail sales posted a modest increase for the month. Manufacturing activity declined slightly in October while the non-manufacturing activity increased better than expected. Industrial production continued to fall slightly further. The CPI (Consumer Price Index) increased while the PPI (Producer Price Index) declined for the month. Housing activity stayed mixed. The LEI (Leading Economic Indicator) rose in October. On October 28, 2015, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at a target range of 0 – 0.25%. However, due to the recently improved economic data since the Fed's October meeting, particularly the employment and unemployment conditions, it's widely expected that the Fed will begin to raise interest rates at their upcoming scheduled meeting in December.





### BENCHMARK COMPARISON AS OF OCTOBER 31, 2015

3 Month T-Bill: 0.02%

1 Year T-Bill: 0.26%

6 Month T-Bill: 0.11%

LAIF: 0.36%

OCFA Portfolio: 0.31%

### PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value-</i>	\$132,679,458	\$158,324,031	\$133,906,613
<i>Yield to Maturity (365 day)</i>	0.37%	0.37%	0.27%
<i>Effective Rate of Return</i>	0.31%	0.36%	0.29%
<i>Days to Maturity</i>	77	149	188



ORANGE COUNTY FIRE AUTHORITY  
Portfolio Management  
Portfolio Summary  
October 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	10,506,722.93	10,506,722.93	10,506,722.93	7.95	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,585,000.00	9,584,126.10	9,583,844.00	7.25	198	21	0.212	0.215
Federal Agency Coupon Securities	28,000,000.00	27,967,230.00	28,013,636.13	21.21	1,035	305	0.895	0.908
Federal Agency Disc. -Amortizing	34,000,000.00	33,997,510.00	33,995,858.47	25.73	130	41	0.108	0.109
Local Agency Investment Funds	50,000,000.00	50,029,732.30	50,000,000.00	37.85	1	1	0.352	0.357
<b>Investments</b>	<b>132,091,722.93</b>	<b>132,085,321.33</b>	<b>132,100,061.53</b>	<b>100.00%</b>	<b>268</b>	<b>77</b>	<b>0.366</b>	<b>0.371</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	598,832.64	598,832.64	598,832.64		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>132,690,555.57</b>	<b>132,684,153.97</b>	<b>132,698,894.17</b>		<b>268</b>	<b>77</b>	<b>0.366</b>	<b>0.371</b>

Total Earnings	October 31 Month Ending	Fiscal Year To Date
Current Year	37,690.95	186,799.08
Average Daily Balance	144,878,110.34	167,466,313.02
Effective Rate of Return	0.31%	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

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 132,698,894.17

GASB 31 Adjustment to Books (See Note 3 on page 9)

\$ (19,436.11)

Total

\$ 132,679,458.06

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	High Mark 100% US Treasury MMF			10,506,722.93	10,506,722.93	10,506,722.93	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>19,700,984.74</b>		<b>10,506,722.93</b>	<b>10,506,722.93</b>	<b>10,506,722.93</b>		<b>0.001</b>	<b>1</b>	
<b>Commercial Paper Disc. -Amortizing</b>											
36959JYR8	860	GEN ELEC CAP CRP		04/23/2015	2,570,000.00	2,569,717.30	2,569,657.33	0.200	0.206	24	11/25/2015
36595JYL1	862	GEN ELEC CAP CRP		05/06/2015	6,015,000.00	6,014,518.80	6,014,333.34	0.210	0.218	19	11/20/2015
36959JYR8	866	GEN ELEC CAP CRP		07/01/2015	1,000,000.00	999,890.00	999,853.33	0.220	0.223	24	11/25/2015
		<b>Subtotal and Average</b>	<b>9,583,011.86</b>		<b>9,585,000.00</b>	<b>9,584,126.10</b>	<b>9,583,844.00</b>		<b>0.215</b>	<b>21</b>	
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,270.00	9,000,000.00	0.990	0.998	813	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank(Callable 1-15-16)		10/15/2015	10,000,000.00	9,959,400.00	10,011,100.00	1.100	0.829	75	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp(Callable 12-23-15)		06/30/2015	9,000,000.00	9,007,560.00	9,002,536.13	1.100	0.905	52	03/23/2018
		<b>Subtotal and Average</b>	<b>33,559,216.78</b>		<b>28,000,000.00</b>	<b>27,967,230.00</b>	<b>28,013,636.13</b>		<b>0.908</b>	<b>305</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313384NX3	865	Fed Home Loan Bank		07/01/2015	9,000,000.00	9,000,000.00	8,999,881.25	0.095	0.098	5	11/06/2015
313384QB8	867	Fed Home Loan Bank		07/01/2015	6,000,000.00	5,999,760.00	5,999,340.00	0.120	0.123	33	12/04/2015
313384QR3	868	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,999,550.00	8,998,590.00	0.120	0.123	47	12/18/2015
313384RU5	870	Fed Home Loan Bank		10/26/2015	10,000,000.00	9,998,200.00	9,998,047.22	0.095	0.098	74	01/14/2016
		<b>Subtotal and Average</b>	<b>32,028,402.98</b>		<b>34,000,000.00</b>	<b>33,997,510.00</b>	<b>33,995,858.47</b>		<b>0.109</b>	<b>41</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,029,732.30	50,000,000.00	0.357	0.357	1	
		<b>Subtotal and Average</b>	<b>50,006,493.98</b>		<b>50,000,000.00</b>	<b>50,029,732.30</b>	<b>50,000,000.00</b>		<b>0.357</b>	<b>1</b>	
		<b>Total and Average</b>	<b>144,878,110.34</b>		<b>132,091,722.93</b>	<b>132,085,321.33</b>	<b>132,100,061.53</b>		<b>0.371</b>	<b>77</b>	

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
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	578,832.64	578,832.64	578,832.64		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>144,878,110.34</b>		<b>132,690,555.57</b>	<b>132,684,153.97</b>	<b>132,698,894.17</b>		<b>0.371</b>	<b>77</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of November 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	( 11/01/2015 - 11/01/2015 )	4 Maturities	0 Payments	61,105,555.57	46.05%	61,105,555.57	61,135,287.87
Aging Interval: 1 - 30 days	( 11/02/2015 - 12/01/2015 )	4 Maturities	0 Payments	18,585,000.00	14.00%	18,583,725.25	18,584,126.10
Aging Interval: 31 - 60 days	( 12/02/2015 - 12/31/2015 )	2 Maturities	0 Payments	15,000,000.00	11.30%	14,997,930.00	14,999,310.00
Aging Interval: 61 - 91 days	( 01/01/2016 - 01/31/2016 )	1 Maturities	0 Payments	10,000,000.00	7.53%	9,998,047.22	9,998,200.00
Aging Interval: 92 - 121 days	( 02/01/2016 - 03/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 122 - 152 days	( 03/02/2016 - 04/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 153 - 183 days	( 04/02/2016 - 05/02/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	( 05/03/2016 - 08/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	( 08/02/2016 - 10/31/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	( 11/01/2016 - 10/31/2018 )	3 Maturities	0 Payments	28,000,000.00	21.11%	28,013,636.13	27,967,230.00
Aging Interval: 1096 days and after	( 11/01/2018 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		14 Investments	0 Payments		100.00	132,698,894.17	132,684,153.97



**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 October 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 September 30, 2015 is 1.000594646. When applied to OCFA's LAIF investment, the fair value is \$50,029,732 or \$29,732 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 October 31, 2015 is included on the following page.





<b>Fair Value Including Accrued Interest</b>	<b>\$</b>	<b>63,895,163,482.11</b>
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***Orange County Fire Authority***

***Preliminary Investment Report***

***November 20, 2015***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**November 20, 2015**

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

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	13,565,924.47	13,565,924.47	13,565,924.47	9.75	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	3,570,000.00	3,569,964.30	3,569,918.45	2.57	197	4	0.208	0.211
Federal Agency Coupon Securities	28,000,000.00	27,895,670.00	28,009,660.69	20.13	1,035	285	0.895	0.908
Federal Agency Disc. -Amortizing	44,000,000.00	43,993,770.00	43,993,800.00	31.62	101	43	0.120	0.122
Local Agency Investment Funds	50,000,000.00	50,029,732.30	50,000,000.00	35.94	1	1	0.352	0.357
<b>Investments</b>	<b>139,135,924.47</b>	<b>139,055,061.07</b>	<b>139,139,303.61</b>	<b>100.00%</b>	<b>246</b>	<b>71</b>	<b>0.350</b>	<b>0.355</b>

**Cash**

Passbook/Checking (not included in yield calculations)	385,605.08	385,605.08	385,605.08		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>139,521,529.55</b>	<b>139,440,666.15</b>	<b>139,524,908.69</b>		<b>246</b>	<b>71</b>	<b>0.350</b>	<b>0.355</b>

Total Earnings	November 20 Month Ending	Fiscal Year To Date
Current Year	25,711.33	212,510.41
Average Daily Balance	135,873,261.72	163,047,704.44
Effective Rate of Return	0.35%	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

11/27/15

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)	\$ 139,524,908.69
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (19,436.11)
Total	<u>\$ 139,505,472.58</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 20, 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
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	High Mark 100% US Treasury MMF			13,565,924.47	13,565,924.47	13,565,924.47	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>12,783,061.26</b>		<b>13,565,924.47</b>	<b>13,565,924.47</b>	<b>13,565,924.47</b>		<b>0.001</b>	<b>1</b>	
<b>Commercial Paper Disc. -Amortizing</b>											
36959JYR8	860	GEN ELEC CAP CRP		04/23/2015	2,570,000.00	2,569,974.30	2,569,942.89	0.200	0.206	4	11/25/2015
36959JYR8	866	GEN ELEC CAP CRP		07/01/2015	1,000,000.00	999,990.00	999,975.56	0.220	0.223	4	11/25/2015
		<b>Subtotal and Average</b>	<b>9,283,674.75</b>		<b>3,570,000.00</b>	<b>3,569,964.30</b>	<b>3,569,918.45</b>		<b>0.211</b>	<b>4</b>	
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,450.00	9,000,000.00	0.990	0.998	793	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank (Callable 1-15-16)		10/15/2015	10,000,000.00	9,909,800.00	10,008,100.00	1.100	0.829	55	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp (Callable 12-23-15)		06/30/2015	9,000,000.00	8,985,420.00	9,001,560.69	1.100	0.905	32	03/23/2018
		<b>Subtotal and Average</b>	<b>28,011,549.03</b>		<b>28,000,000.00</b>	<b>27,895,670.00</b>	<b>28,009,660.69</b>		<b>0.908</b>	<b>285</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313384QB8	867	Fed Home Loan Bank		07/01/2015	6,000,000.00	5,999,820.00	5,999,740.00	0.120	0.123	13	12/04/2015
313384QR3	868	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,999,460.00	8,999,190.00	0.120	0.123	27	12/18/2015
313384RU5	870	Fed Home Loan Bank		10/26/2015	10,000,000.00	9,998,100.00	9,998,575.00	0.095	0.098	54	01/14/2016
313384RU5	871	Fed Home Loan Bank		11/12/2015	10,000,000.00	9,998,100.00	9,998,050.00	0.130	0.134	54	01/14/2016
313384RU5	872	Fed Home Loan Bank		11/12/2015	9,000,000.00	8,998,290.00	8,998,245.00	0.130	0.134	54	01/14/2016
		<b>Subtotal and Average</b>	<b>35,794,976.68</b>		<b>44,000,000.00</b>	<b>43,993,770.00</b>	<b>43,993,800.00</b>		<b>0.122</b>	<b>43</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,029,732.30	50,000,000.00	0.357	0.357	1	
		<b>Subtotal and Average</b>	<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,029,732.30</b>	<b>50,000,000.00</b>		<b>0.357</b>	<b>1</b>	
		<b>Total and Average</b>	<b>135,873,261.72</b>		<b>139,135,924.47</b>	<b>139,055,061.07</b>	<b>139,139,303.61</b>		<b>0.355</b>	<b>71</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**November 20, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
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	365,605.08	365,605.08	365,605.08		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>135,873,261.72</b>		<b>139,521,529.55</b>	<b>139,440,666.15</b>	<b>139,524,908.69</b>		<b>0.355</b>	<b>71</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of November 21, 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	( 11/21/2015 - 11/21/2015 )	4 Maturities	0 Payments	63,951,529.55	45.84%	63,951,529.55	63,981,261.85
Aging Interval:	1 - 30 days	( 11/22/2015 - 12/21/2015 )	4 Maturities	0 Payments	18,570,000.00	13.31%	18,568,848.45	18,569,244.30
Aging Interval:	31 - 60 days	( 12/22/2015 - 01/20/2016 )	3 Maturities	0 Payments	29,000,000.00	20.78%	28,994,870.00	28,994,490.00
Aging Interval:	61 - 91 days	( 01/21/2016 - 02/20/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	( 02/21/2016 - 03/21/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	( 03/22/2016 - 04/21/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	( 04/22/2016 - 05/22/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	( 05/23/2016 - 08/21/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	( 08/22/2016 - 11/20/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 11/21/2016 - 11/20/2018 )	3 Maturities	0 Payments	28,000,000.00	20.08%	28,009,660.69	27,895,670.00
Aging Interval:	1096 days and after	( 11/21/2018 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			14 Investments	0 Payments		100.00	139,524,908.69	139,440,666.15



**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 Monthly Investment Report***



***Final Report – November 2015***

***Preliminary Report – December 2015***



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***Orange County Fire Authority***

***Final Investment Report***

***November 30, 2015***



## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of November 2015, the size of the portfolio increased by \$10.4 million to \$143.1 million. Significant receipts for the month included the first apportionment of secured property taxes in the amount of \$20.1 million and cash contract and intergovernmental agency payments totaling \$8.4 million. Significant disbursements for the month included primarily two biweekly payrolls, which were approximately \$9.2 million each with related benefits. Total November cash outflows for operating expenditures amounted to approximately \$20.4 million. The portfolio's balance is expected to increase significantly in the following month as the next major apportionments of property taxes are scheduled for December.

In November, the portfolio's yield to maturity (365-day equivalent) edged down slightly to 0.35% from the prior month. The effective rate of return, however, increased by 4 basis points to 0.35% for the month and stayed unchanged at 0.33% for the fiscal year-to-date. The average maturity of the portfolio shortened by 11 days to 66 days to maturity.

### ***Economic News***

The U.S. economy continued to expand moderately in November, but overall economic activity remained mixed. Employment conditions stayed strong in November. There were 211,000 new jobs created for the month. In addition, a combined upward adjustment of 35,000 new jobs was added for the prior two months. The unemployment rate was unchanged at 5.0% from the prior month. Mixed consumer confidence persisted in November. Retail sales improved from the prior month although the increase was slightly weaker than expected. Both manufacturing and non-manufacturing activity declined in November. Industrial production continued to fall in November. The CPI (Consumer Price Index) was unchanged in November while the PPI (Producer Price Index) declined slightly. Housing activity improved. The LEI (Leading Economic Indicator) rose further in November. On December 16, 2015, the Federal Open Market Committee met and voted unanimously to raise the federal funds rate to a target range of 0.25% - 0.50%, the first rate increase taken by the Committee in almost 10 years. However, the Committee also indicated that its "stance on monetary policy remains accommodative after this increase..."

**BENCHMARK COMPARISON AS OF NOVEMBER 30, 2015**

3 Month T-Bill: 0.13%

1 Year T-Bill: 0.48%

6 Month T-Bill: 0.33%

LAIF: 0.37%

OCFA Portfolio: 0.35%

**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>	\$143,085,788	\$132,679,458	\$128,741,870
<i>Yield to Maturity (365 day)</i>	0.35%	0.37%	0.28%
<i>Effective Rate of Return</i>	0.35%	0.31%	0.27%
<i>Days to Maturity</i>	66	77	179





**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**November 30, 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	18,347,924.47	18,347,924.47	18,347,924.47	13.07	1	1	0.001	0.001
Federal Agency Coupon Securities	28,000,000.00	27,896,720.00	28,007,672.98	19.96	1,035	275	0.895	0.908
Federal Agency Disc. -Amortizing	44,000,000.00	43,995,520.00	43,995,250.00	31.35	101	33	0.120	0.122
Local Agency Investment Funds	50,000,000.00	50,029,732.30	50,000,000.00	35.63	1	1	0.369	0.374
<b>Investments</b>	<b>140,347,924.47</b>	<b>140,269,896.77</b>	<b>140,350,847.45</b>	<b>100.00%</b>	<b>239</b>	<b>66</b>	<b>0.348</b>	<b>0.353</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	2,754,376.91	2,754,376.91	2,754,376.91		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>143,102,301.38</b>	<b>143,024,273.68</b>	<b>143,105,224.36</b>		<b>239</b>	<b>66</b>	<b>0.348</b>	<b>0.353</b>

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	39,262.48	226,061.56
Average Daily Balance	137,002,311.09	161,492,979.30
Effective Rate of Return	0.35%	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

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 143,105,224.36

GASB 31 Adjustment to Books (See Note 3 on page 9)

\$ (19,436.11)

Total

\$ 143,085,788.25

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 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
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	High Mark 100% US Treasury MMF			18,347,924.47	18,347,924.47	18,347,924.47	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>13,798,459.88</b>		<b>18,347,924.47</b>	<b>18,347,924.47</b>	<b>18,347,924.47</b>		<b>0.001</b>	<b>1</b>	
<b>Commercial Paper Disc. -Amortizing</b>											
		<b>Subtotal and Average</b>	<b>6,665,112.42</b>								
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,900.00	9,000,000.00	0.990	0.998	783	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank (Callable 1-15-16)		10/15/2015	10,000,000.00	9,912,200.00	10,006,600.00	1.100	0.829	45	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp (Callable 12-23-15)		06/30/2015	9,000,000.00	8,983,620.00	9,001,072.98	1.100	0.905	22	03/23/2018
		<b>Subtotal and Average</b>	<b>28,010,555.17</b>		<b>28,000,000.00</b>	<b>27,896,720.00</b>	<b>28,007,672.98</b>		<b>0.908</b>	<b>275</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313384QB8	867	Fed Home Loan Bank		07/01/2015	6,000,000.00	5,999,940.00	5,999,940.00	0.120	0.123	3	12/04/2015
313384QR3	868	Fed Home Loan Bank		07/01/2015	9,000,000.00	8,999,640.00	8,999,490.00	0.120	0.123	17	12/18/2015
313384RU5	870	Fed Home Loan Bank		10/26/2015	10,000,000.00	9,998,600.00	9,998,838.89	0.095	0.098	44	01/14/2016
313384RU5	871	Fed Home Loan Bank		11/12/2015	10,000,000.00	9,998,800.00	9,998,411.11	0.130	0.134	44	01/14/2016
313384RU5	872	Fed Home Loan Bank		11/12/2015	9,000,000.00	8,998,740.00	8,998,570.00	0.130	0.134	44	01/14/2016
		<b>Subtotal and Average</b>	<b>38,528,183.62</b>		<b>44,000,000.00</b>	<b>43,995,520.00</b>	<b>43,995,250.00</b>		<b>0.122</b>	<b>33</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,029,732.30	50,000,000.00	0.374	0.374	1	
		<b>Subtotal and Average</b>	<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,029,732.30</b>	<b>50,000,000.00</b>		<b>0.374</b>	<b>1</b>	
		<b>Total and Average</b>	<b>137,002,311.09</b>		<b>140,347,924.47</b>	<b>140,269,896.77</b>	<b>140,350,847.45</b>		<b>0.353</b>	<b>66</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**November 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
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	2,734,376.91	2,734,376.91	2,734,376.91		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>137,002,311.09</b>		<b>143,102,301.38</b>	<b>143,024,273.68</b>	<b>143,105,224.36</b>		<b>0.353</b>	<b>66</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of December 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	( 12/01/2015 - 12/01/2015 )	4 Maturities	0 Payments	71,102,301.38	49.69%	71,102,301.38	71,132,033.68
Aging Interval:	1 - 30 days	( 12/02/2015 - 12/31/2015 )	2 Maturities	0 Payments	15,000,000.00	10.48%	14,999,430.00	14,999,580.00
Aging Interval:	31 - 60 days	( 01/01/2016 - 01/30/2016 )	3 Maturities	0 Payments	29,000,000.00	20.26%	28,995,820.00	28,995,940.00
Aging Interval:	61 - 91 days	( 01/31/2016 - 03/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	( 03/02/2016 - 03/31/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	( 04/01/2016 - 05/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	( 05/02/2016 - 06/01/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	( 06/02/2016 - 08/31/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	( 09/01/2016 - 11/30/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 12/01/2016 - 11/30/2018 )	3 Maturities	0 Payments	28,000,000.00	19.57%	28,007,672.98	27,896,720.00
Aging Interval:	1096 days and after	( 12/01/2018 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			12 Investments	0 Payments		100.00	143,105,224.36	143,024,273.68



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

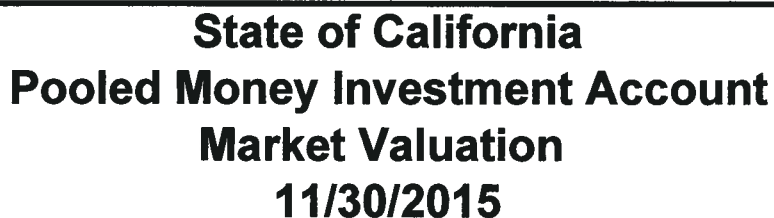
- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting 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 November 30, 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 September 30, 2015 is 1.000594646. When applied to OCFA's LAIF investment, the fair value is \$50,029,732 or \$29,732 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 November 30, 2015 is included on the following page.



<b>Fair Value Including Accrued Interest</b>	<b>\$</b>	<b>64,858,145,279.32</b>
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***Orange County Fire Authority***  
***Preliminary Investment Report***  
***December 18, 2015***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**December 18, 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	2,861,068.53	2,861,068.53	2,861,068.53	1.39	1	1	0.001	0.001
Federal Agency Coupon Securities	38,000,000.00	37,856,420.00	37,987,112.69	18.46	1,020	447	1.001	1.015
Federal Agency Disc. -Amortizing	105,000,000.00	104,872,210.00	104,883,775.42	50.97	110	93	0.336	0.341
Treasury Coupon Securities	10,000,000.00	10,049,600.00	10,051,512.47	4.88	195	194	0.523	0.530
Local Agency Investment Funds	50,000,000.00	50,029,732.30	50,000,000.00	24.30	1	1	0.369	0.374
<b>Investments</b>	<b>205,861,068.53</b>	<b>205,669,030.83</b>	<b>205,783,469.11</b>	<b>100.00%</b>	<b>254</b>	<b>140</b>	<b>0.471</b>	<b>0.478</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	106,905.78	106,905.78	106,905.78		1	1	0.000	0.000
Accrued Interest at Purchase		78,034.42	78,034.42					
Subtotal		184,940.20	184,940.20					
<b>Total Cash and Investments</b>	<b>205,967,974.31</b>	<b>205,853,971.03</b>	<b>205,968,409.31</b>		<b>254</b>	<b>140</b>	<b>0.471</b>	<b>0.478</b>

Total Earnings	December 18 Month Ending	Fiscal Year To Date
Current Year	27,830.35	253,891.91
Average Daily Balance	155,947,343.10	160,909,228.12
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 Jakubiak, Treasurer

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

GASB 31 Adjustment to Books (See Note 3 on page 18)

Total

\$	205,968,409.31
\$	(19,436.11)
\$	<u>205,948,973.20</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 18, 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
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	High Mark 100% US Treasury MMF			2,861,068.53	2,861,068.53	2,861,068.53	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>9,410,354.12</b>		<b>2,861,068.53</b>	<b>2,861,068.53</b>	<b>2,861,068.53</b>		<b>0.001</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,450.00	9,000,000.00	0.990	0.998	765	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank (Callable 1-15-16)		10/15/2015	10,000,000.00	9,906,500.00	10,003,900.00	1.100	0.829	27	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp (Callable 12-23-15)		06/30/2015	9,000,000.00	8,979,570.00	9,000,195.09	1.100	0.905	4	03/23/2018
3134G84A4	878	Fed Home Loan Mtg Corp (Callable 2-24-16)		12/18/2015	10,000,000.00	9,969,900.00	9,983,017.60	1.250	1.315	979	08/24/2018
		<b>Subtotal and Average</b>	<b>28,560,396.74</b>		<b>38,000,000.00</b>	<b>37,856,420.00</b>	<b>37,987,112.69</b>		<b>1.015</b>	<b>447</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313396WM1	880	Freddie Mac		12/18/2015	9,000,000.00	8,982,180.00	8,982,625.00	0.500	0.515	139	05/06/2016
313396XB4	881	Freddie Mac		12/18/2015	9,000,000.00	8,980,290.00	8,980,492.50	0.510	0.525	153	05/20/2016
313396XR9	882	Freddie Mac		12/18/2015	9,000,000.00	8,977,320.00	8,978,290.00	0.520	0.536	167	06/03/2016
313396YF4	883	Freddie Mac		12/18/2015	9,000,000.00	8,975,340.00	8,976,243.75	0.525	0.541	181	06/17/2016
313384RU5	870	Fed Home Loan Bank		10/26/2015	10,000,000.00	9,998,300.00	9,999,313.89	0.095	0.098	26	01/14/2016
313384RU5	871	Fed Home Loan Bank		11/12/2015	10,000,000.00	9,998,300.00	9,999,061.11	0.130	0.134	26	01/14/2016
313384RU5	872	Fed Home Loan Bank		11/12/2015	9,000,000.00	8,998,470.00	8,999,155.00	0.130	0.134	26	01/14/2016
313384SJ9	873	Fed Home Loan Bank		12/01/2015	5,000,000.00	4,998,600.00	4,999,000.00	0.180	0.185	40	01/28/2016
313384SZ3	874	Fed Home Loan Bank		12/03/2015	9,000,000.00	8,995,230.00	8,996,287.50	0.270	0.278	55	02/12/2016
313384US6	875	Fed Home Loan Bank		12/03/2015	9,000,000.00	8,989,650.00	8,992,440.00	0.315	0.324	96	03/24/2016
313384UD9	876	Fed Home Loan Bank		12/08/2015	9,000,000.00	8,991,090.00	8,991,700.00	0.400	0.412	83	03/11/2016
313384VX4	879	Fed Home Loan Bank		12/18/2015	8,000,000.00	7,987,440.00	7,989,166.67	0.390	0.401	125	04/22/2016
		<b>Subtotal and Average</b>	<b>67,418,174.88</b>		<b>105,000,000.00</b>	<b>104,872,210.00</b>	<b>104,883,775.42</b>		<b>0.341</b>	<b>93</b>	
<b>Treasury Coupon Securities</b>											
912828QR4	877	Treasury Note		12/18/2015	10,000,000.00	10,049,600.00	10,051,512.47	1.500	0.530	194	06/30/2016
		<b>Subtotal and Average</b>	<b>558,417.36</b>		<b>10,000,000.00</b>	<b>10,049,600.00</b>	<b>10,051,512.47</b>		<b>0.530</b>	<b>194</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,029,732.30	50,000,000.00	0.374	0.374	1	
		<b>Subtotal and Average</b>	<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,029,732.30</b>	<b>50,000,000.00</b>		<b>0.374</b>	<b>1</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 18, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Total and Average			155,947,343.10		205,861,068.53	205,669,030.83	205,783,469.11		0.478	140

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**December 18, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
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	86,905.78	86,905.78	86,905.78		0.000	1
<b>Average Balance</b>			<b>0.00</b>	Accrued Interest at Purchase		78,034.42	78,034.42			<b>1</b>
				Subtotal		184,940.20	184,940.20			
<b>Total Cash and Investments</b>			<b>155,947,343.10</b>		<b>205,967,974.31</b>	<b>205,853,971.03</b>	<b>205,968,409.31</b>		<b>0.478</b>	<b>140</b>



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of December 19, 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	( 12/19/2015 - 12/19/2015 )	4 Maturities	0 Payments	52,967,974.31	25.73%	52,967,974.31	52,997,706.61
Aging Interval:	1 - 30 days	( 12/20/2015 - 01/18/2016 )	3 Maturities	0 Payments	29,000,000.00	14.08%	28,997,530.00	28,995,070.00
Aging Interval:	31 - 60 days	( 01/19/2016 - 02/17/2016 )	2 Maturities	0 Payments	14,000,000.00	6.80%	13,995,287.50	13,993,830.00
Aging Interval:	61 - 91 days	( 02/18/2016 - 03/19/2016 )	1 Maturities	0 Payments	9,000,000.00	4.37%	8,991,700.00	8,991,090.00
Aging Interval:	92 - 121 days	( 03/20/2016 - 04/18/2016 )	1 Maturities	0 Payments	9,000,000.00	4.37%	8,992,440.00	8,989,650.00
Aging Interval:	122 - 152 days	( 04/19/2016 - 05/19/2016 )	2 Maturities	0 Payments	17,000,000.00	8.24%	16,971,791.67	16,969,620.00
Aging Interval:	153 - 183 days	( 05/20/2016 - 06/19/2016 )	3 Maturities	0 Payments	27,000,000.00	13.08%	26,935,026.25	26,932,950.00
Aging Interval:	184 - 274 days	( 06/20/2016 - 09/18/2016 )	1 Maturities	0 Payments	10,000,000.00	4.88%	10,051,512.47	10,049,600.00
Aging Interval:	275 - 365 days	( 09/19/2016 - 12/18/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 12/19/2016 - 12/18/2018 )	4 Maturities	0 Payments	38,000,000.00	18.45%	37,987,112.69	37,856,420.00
Aging Interval:	1096 days and after	( 12/19/2018 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			21 Investments	0 Payments		100.00	205,890,374.89	205,775,936.61



**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 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**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 3B**  
**Consent Calendar**

**First Quarter Financial Newsletter**

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**Contact(s) for Further Information**

Lori Zeller, Assistant Chief Business Services Department	<a href="mailto:lorizeller@ocfa.org">lorizeller@ocfa.org</a>	714.573.6020
Tricia Jakubiak, Treasurer	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
Deborah Gunderson, Budget Manager	<a href="mailto:deborahgunderson@ocfa.org">deborahgunderson@ocfa.org</a>	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 first quarter of FY 2015/16.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

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

**Attachment(s)**

First Quarter Financial Newsletter – July 2015 to September 2015



# Orange County Fire Authority

## First Quarter Financial Newsletter – July 2015 to September 2015

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### **OVERVIEW**

This report covers fiscal activities in the General Fund and CIP Funds through the first quarter of Fiscal Year 2015/16. Budget figures include all budget adjustments authorized by the Board through the end of the first quarter, including rebudgets.

### **GENERAL FUND**

With 25% of the year completed, General Fund revenues are 11% of budget and expenditures are 23% as shown below:

General Fund	YTD Actual	Budget	Percent
Revenues	37,915,702	335,486,420	11.3%
Expenditures	73,424,122	323,880,542	22.7%

**Top Five Revenues.** The analysis presented below compares the five largest revenue categories received through the first 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	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Cash Contracts	28,177,000	28,635,210	(458,210)	-2%
Property Taxes	4,789,323	5,760,700	(971,377)	-20%
State Reimbursements	2,226,665	2,300,000	(73,335)	-3%
Community Risk Reduction Fees	1,585,230	1,477,958	107,272	7%
Use of Money & Property	645,267	640,000	5,267	1%
<b>Total</b>	<b>37,423,485</b>	<b>38,813,868</b>	<b>(1,390,383)</b>	<b>-4%</b>

- **Property Taxes:** Actual Supplemental property tax receipts have not matched budget estimates based on several years of historical trends. It should be noted however that Supplemental property taxes are at best unpredictable in nature; this category may require an adjustment at the Mid-Year Budget Adjustment.

**Expenditures.** The analysis presented below compares the actual expenditures through the first 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	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Business Services	4,920,900	5,162,437	(241,537)	-5%
Community Risk Reduction	3,756,500	3,586,182	170,319	5%
Executive Management	3,457,342	3,733,044	(275,702)	-8%
Operations	56,518,393	60,362,403	(3,844,010)	-7%
Organizational Planning	415,828	413,362	2,466	1%
Support Services	4,355,158	4,493,756	(138,598)	-3%
<b>Total</b>	<b>73,424,121</b>	<b>77,751,182</b>	<b>(4,327,061)</b>	<b>-6%</b>

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

- **Operations:** This department is below budget estimates by \$3.8 million or 7%. This is primarily due to vacancies; multiple academies and promotional processes are planned for FY 2015/16 to reduce vacancies.

Expenditures by type are outlined below.

Expenditures by Type	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Salary & Employee Benefits	67,634,336	71,728,252	(4,093,916)	-6%
Services and Supplies	5,746,664	5,981,657	(234,993)	-4%
Equipment	43,122	41,274	1,848	4%
Tran Interest Expense	-	-	-	N/A
<b>Total</b>	<b>73,424,122</b>	<b>77,751,182</b>	<b>(4,327,060)</b>	<b>-6%</b>

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

- **Salary and Employee Benefits:** This category of expenditures is approximately \$4.0 million or 6% below budget estimates, primarily due to vacancies throughout the OCFA, but especially in Operations. Multiple academies and promotional processes are planned for FY 2015/16 to reduce vacancies.

## **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	-	6,056,032	0%
Expenditures	202,925	6,056,032	3%

- Budgeted revenues include a transfer from the General Fund. The actual transfer will occur as needed to maintain appropriate fund balance.
- Actual expenditures include pagers; PCs and PC components; 800 MHz radios; MDC replacements; station alarm upgrades and defibrillator maintenance.

### **Fire Stations and Facilities**

Fund 123	YTD Actual	Budget	Percent
Revenue	793,046	220,188	360.2%
Expenditures	65,558	854,248	7.7%

- Actual revenues exceed budget due to the receipt of Developer contributions, primarily from the Baker Ranch development. This category will be adjusted at the Mid-Year Budget Adjustment.
- Appropriations include tenant improvements for the Urban Search & Rescue Warehouse, as well as the RFOTC Emergency Power Circuit Extension. YTD Expenditures include \$53K for tenant improvements for the Urban Search & Rescue Warehouse, and about \$12K for the final phase of furnishing and construction of Fire Station 56.

### **Communications & Information Systems Replacement**

Fund 124	YTD Actual	Budget	Percent
Revenue	331,763	169,956	195.2%
Expenditures	85,537	6,531,152	1.3%

- Revenues exceed budget due to the receipt of proceeds from the County of Orange for Bankruptcy loss recovery. This form of revenue is unpredictable in nature and therefore a budget is not typically established for it.
- Appropriations include \$5.8 million for the remaining components of the Public Safety System Project, such as the Incident Reporting Application Replacement and the Integrated Fire Prevention application, as well as the beginning stage of audio visual upgrades in the Board room, which is also reflected in the expenditures to-date.

**Fire Apparatus**

Fund 133	YTD Actual	Budget	Percent
Revenue	659,864	3,226,856	20.4%
Expenditures	841,664	11,906,358	7.1%

- Actual revenue includes the quarterly Cash Contract payments for vehicle depreciation. The revenue budget also includes developer funds for Fire Station 20 in Irvine.
- The expenditure budget includes \$3.5 million for the purchase of Type 1 Engines; \$2.9 million for the purchase of Tractor-Drawn Aerial Quints; as well as miscellaneous support vehicles. About \$1.9 million was rebudgeted from 2014/15. Year to-date expenditures include the purchase of 4 full sized 4-door vehicles, and first quarter payment of the helicopter lease.

**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**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 3C**  
**Consent Calendar**

**Quarterly Status Update – October to December 2015**  
**Orange County Employees' Retirement System**

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**Contact(s) for Further Information**

Lori Zeller, Assistant Chief  
Business Services Department

[lorizeller@ocfa.org](mailto:lorizeller@ocfa.org)

714.573.6020

Tricia Jakubiak, Treasurer  
Treasury & Financial Planning

[triciajakubiak@ocfa.org](mailto:triciajakubiak@ocfa.org)

714.573.6301

**Summary**

This agenda item is a routine quarterly transmittal to the Committee to provide a report on actions taken by the Orange County Employees' Retirement System (OCERS) relating to financial issues, procedures, and business practices.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

**OCERS' BOARD OF RETIREMENT MEETING - November 16, 2015:**

OCERS' staff discussed that, as part of the testing process for the new V3 Pension Administration System, an error occurred resulting in retirees receiving an erroneous duplicate pension payment for the month of November. On Monday, November 9, the duplicate pension payment file was accidentally uploaded to production instead of uploading to the designated test environment. Retirees who bank at Wells Fargo received the duplicate payment the same evening, with the remaining members receiving the payment the following morning. The finance manager who oversees banking was checking daily banking transactions at approximately 7:30 a.m. on Tuesday, November 10 (about 16 hours after the file was uploaded) when the error was discovered. Corrective action began immediately. Wells Fargo was called and a reversal was initiated expediently.



In addition on Tuesday morning, upon being informed of the incident and getting acknowledgement that corrective actions were underway, OCERS' Assistant CEO of Finance and Internal Operations began a review of the controls in place and an investigation of how the breach occurred. As part of remediation of the incident, an executive team meeting was held with the CEO, staff/managers involved in the error, and/or the corrective actions along with Internal Audit.

OCFA staff will continue to monitor actions taken by OCERS and will report back in April regarding actions taken during the next quarter.

**Attachment(s)**

None.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 3D**  
**Consent Calendar**

**Quarterly Change Order Report**

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**Contact(s) for Further Information**

Lori Zeller, Assistant Chief [lorizeller@ocfa.org](mailto:lorizeller@ocfa.org) 714.573.6020  
Business Services Department

Debbie Casper, Purchasing & Materials Manager [debbiecasper@ocfa.org](mailto: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.

**Prior Board/Committee Action(s)**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**Fiscal Impact**

Not Applicable.

**Background**

Attached is the third quarterly change order report (issued within the dollar limits delegated to management) since the Board approved the modification to the Roles/Responsibilities/Authorities Matrix at its February 26, 2015, meeting. The list includes the change orders issued within the period of October to December 2015.

Staff continues to make progress in reducing the number of change orders; however, it still remains difficult to quantify contract amounts for maintenance and vehicle repair. There have been an average of eight change orders processed each quarter during the past year.

**Attachment(s)**

Quarterly Change Order Report - October – December 2015

**Orange County Fire Authority**  
Quarterly Change Order Report  
October – December 2015

	<b>Vendor, Contract Term, Section &amp; Change Order Request Date</b>	<b>Commodity or Service</b>	<b>Original Value, Change Order &amp; Revised Value</b>	<b>% Change</b>	<b>Additional Comments</b>
1	American Material Co. B01502-1 04/01/15 – 03/31/16  <i>Service Center</i> <i>C/O 10/02/15</i>	Tools, hardware, equipment & supplies  <i>Bid RO1919</i>	\$20,000 <u>C/O + 10,000</u> \$30,000	50%	Tools & equipment for six new Type I engines were purchased against this blanket order, in addition to routine annual volume.  <b><u>Lessons Learned:</u></b> - In the future, staff will issue a separate bid for special large quantity purchases, when the details are known.
2	Fire Safety First B01544 11/3/14 – 01/31/16  <i>Property Management</i> <i>C/O 10/26/15</i>	Annual backflow device testing & repair services  <i>Bid MD1955</i>	\$15,000 <u>C/O +9,000</u> \$24,000	60%	A contract increase was needed due to an increased number of repairs needed as the systems were tested. Repairs varied from minor to major repairs over \$2,000.  <b><u>Lessons Learned:</u></b> - Major repairs require further review, additional quotes and then each work order should be processed as a one-time purchase order. Purchasing and Property Management staff will work together on this process for future major repairs.
3	World Fuel Services B01301 02/01/15 – 01/31/16  <i>Air Operations</i> <i>C/O 11/17/15</i>	Fuel credit card used for fueling helicopters at alternate airports	\$5,000 <u>C/O +5,000</u> \$10,000	100%	Emergency fuel purchases have been needed due to helicopters requiring fueling while out of county more frequently.  <b><u>Lessons Learned:</u></b> - The contract value will be permanently increased since air operations is experiencing increased flight hours.
4	McKesson Medical B01483-1 01/01/15 – 12/31/15  <i>EMS</i> <i>C/O 11/19/15</i>	Pharmaceuticals  <i>Bid MD1896</i>	\$206,000 <u>C/O +30,000</u> \$236,000	15%	Increased pharmaceuticals were needed to replace expired drugs.  <b><u>Lessons Learned:</u></b> - Better planning in the replacement of expired drugs will assist in keeping expenditures within the blanket order limits.

	Vendor, Contract Term, Section & Change Order Request Date	Commodity or Service	Original Value, Change Order & Revised Value	% Change	Additional Comments
5	ECMS Inc. B01588 04/20/15 – 05/31/16  <i>Service Center</i> <i>C/O 12/07/15</i>	PPE (turnout) cleaning and repair  <i>Bid RO2009</i>	\$40,000 <u>C/O +37,000</u> \$77,000	93%	Contract expenditures have increased due to more requests for advanced cleaning/repairs to PPE, largely as a result of increased awareness of the importance of clean PPE to mitigate personal safety risk in carcinogenic material exposure.  <b><u>Lessons Learned:</u></b> - This trend is positive and the current expenditures will be utilized to project and establish future contract values.
6	Worthington Ford B01497-1 04/01/15 – 03/31/16  <i>Fleet Services</i> <i>C/O 12/15/15</i>	Vehicle maintenance and repair  <i>Bid RO1912</i>	\$83,000 <u>C/O +40,000</u> \$123,000	48%	Funding was needed due to increased turbo charger failures on the Ford 6.0L engines, oil leaks, and failures of OEM EGR coolers, which require removal of the whole cab and/or engine for access to repair or replace.  <b><u>Lessons Learned:</u></b> - Provide in-house technicians resources and tools so that high cost repairs can be done internally. - Seek/consider alternative facilities with lower labor rates - Consider using more dependable non-OEM units with a lifetime warranty on future EGR cooler replacements.
7	Santa Margarita Ford P0009167 One-time PO 12/09/15  <i>Fleet Services</i> <i>C/O 12/15/15</i>	Vehicle Repair, Unit #4114	\$1,332.19 <u>C/O +1,542.02</u> \$2,874.21	116%	Upon further diagnostic testing it was found that the injectors needed to be replaced.  <b><u>Lessons Learned:</u></b> - These unforeseen repair issues cannot be avoided.
8	Mako Overhead Door B01390-3 12/01/14 – 11/30/15  <i>Property Management</i> <i>C/O 12/29/15</i>	Maintenance & repair of apparatus bay doors and security gates.  <i>Bid MD1782</i>	\$95,000 <u>C/O +28,658</u> \$123,658	30%	Several large work orders included motor replacements, springs, solenoids, transmitters and sectional door replacements.  <b><u>Lessons Learned:</u></b> - It would be beneficial to review larger jobs and receive multiple additional quotes and then process each of these work orders as one-time purchase orders.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 3E**  
**Consent Calendar**

**2015 Urban Areas Security Initiative Grant**  
**Agreement to Transfer Property or Funds**

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**Contact(s) for Further Information**

Dave Thomas, Assistant Chief  
Operations Department

[davethomas@ocfa.org](mailto:davethomas@ocfa.org)

714.573.6012

Marc Stone, Battalion Chief  
Emergency Planning and Coordination

[marcstone@ocfa.org](mailto:marcstone@ocfa.org)

714.573.6056

**Summary**

This item is submitted for approval of the FY 2015 Urban Area Security Initiative (UASI) Grant Program award and for authorization for the Fire Chief to execute the necessary agreement. The grant resources will be utilized to enhance the OCFA's ability to prevent, prepare for, respond to, and recover from domestic and international terrorism incidents.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with Budget and Finance Committee's recommendations that the Board of Directors:

1. Approve and authorize the Fire Chief to execute the agreement and any necessary attachments to accept and administer the Urban Area Security Initiative (UASI) Grant Program award.
2. Approve a Budget Adjustment to the FY 2015/16 General Fund (121) to increase revenue and appropriations by \$167,727 for the FY 2015 UASI Grant award.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

The FY 2015/16 General Fund revenues and expenditures will be increased by \$167,727.

**Background**

On November 13, 2003, the United States Department of Homeland Security established the UASI Grant Program through the Federal Office of Domestic Preparedness. The grant only allowed two cities in Orange County, Anaheim and Santa Ana, to apply for funds through the UASI.

To ensure these funding sources did not undermine the process already in place, all principal parties involved formed a collaborative regional effort to facilitate the needs for the entire operational area. This ensured the funds were utilized to provide for the region and not one particular jurisdiction. Beginning in FY 2006, the two UASI cities combined to form a single entity and have divided the County into two geographic regions. The City of Santa Ana is responsible for the southwest portion of the County and the City of Anaheim is responsible for the northeast portion. Utilizing the Strategic Initiatives developed by the Urban Area Working Group, priorities were established for equipment, training, and planning.

On November 18, 2015, OCFA was notified it was awarded \$167,727 as part of the FY 2015 UASI Grant Program. The Grant funds are designated for use to reimburse costs related to training, including participant tuition, instructor participation, course delivery, and hosting. In 2015, the grant assisted in training efforts geared toward homeland security preparedness and the initial development of Wildland Urban Interface Pre Fire Plans. Unfortunately, due to a reduced UASI allocation, reimbursement for overtime and backfill to attend the classes is no longer included. Despite this, the training funded by this grant is very valuable to OCFA and its member agencies; therefore, approval of the grant award is recommended.

**Attachment(s)**

1. FY1 State Homeland Security Grant Program Agreement
2. Award Letter

**AGREEMENT**

**SUB-RECIPIENT: ORANGE COUNTY FIRE AUTHORITY**

**City Contract Number \_\_\_\_\_**

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AGREEMENT FOR TRANSFER OR PURCHASE OF EQUIPMENT/SERVICES OR FOR  
REIMBURSEMENT OF TRAINING COSTS  
FOR FY2015 URBAN AREAS SECURITY INITIATIVE (UASI)

BETWEEN  
THE CITY OF SANTA ANA  
AND ORANGE COUNTY FIRE AUTHORITY

THIS AGREEMENT is made and entered into this 18<sup>th</sup> day of November, 2015, by and between the CITY OF SANTA ANA, a municipal corporation (the "CITY"), and ORANGE COUNTY FIRE AUTHORITY (the "SUB-RECIPIENT" or "Contractor").

WITNESSETH

WHEREAS, CITY, acting through the Santa Ana Police Department in its capacity as a Core City for the Anaheim/Santa Ana Urban Area under the FY15 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY 2015 Urban Areas Security Initiative" from the federal Department Of Homeland Security(DHS) Federal Emergency Management Agency (FEMA), through the State of California Governor's Office of Emergency Services (CalOES), to enhance countywide emergency preparedness (the "grant"), as set forth in the grant guidelines and assurances that are incorporated to this Agreement by reference and located at:

"U.S. Department of Homeland Security "Fiscal Year 2015 Homeland Security Grant Program (HSGP) Notice of Funding Opportunity (NOFO)"

[http://www.fema.gov/media-library-data/1429291822887-7f203c9296fde6160b727475532c7796/FY2015HSGP\\_NOFO\\_v3.pdf](http://www.fema.gov/media-library-data/1429291822887-7f203c9296fde6160b727475532c7796/FY2015HSGP_NOFO_v3.pdf)

California Governor's Office of Emergency Services "FY2015 Homeland Security Grant Program: California Supplement to Federal Program Guidance and Application Kit"

<http://www.caloes.ca.gov/GrantsManagementSite/Documents/FY%202015-%20HSGP%20State%20Guidance.pdf>

Copies of the grant guidelines shall be retained in the Anaheim/Santa Ana Grant Office.

WHEREAS, this financial assistance is administered by the CITY OF SANTA ANA ("CITY") and is overseen by the California Governor's Office of Emergency Services ("Cal-OES"); and

WHEREAS, this financial assistance is being provided to address the unique equipment, training, planning, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the Anaheim/Santa Ana Urban Area ("ASAUA") consists of 34 cities in Orange County, including the City of Santa Ana and the City of Anaheim, the County of Orange, including the unincorporated area of the County of Orange, Santa Ana Unified School District Police, California State University, Fullerton, University of California, Irvine, Municipal Water District of Orange County, and the Orange County Fire Authority; and

WHEREAS, the Office of Grants Management ("OGM") awarded a FY15 UASI Grant of \$4,400,000 ("Grant Funds") to the CITY OF SANTA ANA, as a Core City, for use in the ASAUA; and

WHEREAS, the CITY has designated the Chief of Police, or his designee and the Santa Ana Police Department, Homeland Security Division ("UASI Grant Office") to provide for terrorism prevention and emergency preparedness; and

WHEREAS, the UASI Grant Office now wishes to distribute FY15 UASI Grant Funds throughout the ASAUA, as further detailed in this Agreement ("Agreement") to ORANGE COUNTY FIRE AUTHORITY ("SUB-RECIPIENT") and others;

WHEREAS, the CITY and SUB-RECIPIENT are desirous of executing this Agreement as authorized by the City Council and the City Manager which authorizes the CITY to prepare and execute the Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I  
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The CITY, a municipal corporation, having its principal office at 20 Civic Center Plaza, Santa Ana, CA 92702; and
- B. ORANGE COUNTY FIRE AUTHORITY, a municipal corporation, One Fire Authority Road, Irvine, CA 92602

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the CITY OF SANTA ANA shall be, unless otherwise stated in the Agreement:

Kenneth Gominsky, Jr., Commander  
Santa Ana Police Department  
Homeland Security Division  
60 Civic Center Plaza  
Santa Ana, CA 92702  
Phone: (714) 245-8040  
Fax: (714) 245-8098  
kgominsky@santa-ana.org

- 2. The representative of ORANGE COUNTY FIRE AUTHORITY shall be:

Marc Stone, Battalion Chief  
ORANGE COUNTY FIRE AUTHORITY  
One Fire Authority Road, Irvine, CA 92602  
Phone: (714) 573-6056  
E-mail: MarcStone@ocfa.org

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

SUB-RECIPIENT is acting hereunder as an independent party, and not as an agent or employee of the CITY OF SANTA ANA. No employee of SUB-RECIPIENT is, or shall be an employee of the CITY OF SANTA ANA by virtue of this Agreement, and SUB-RECIPIENT shall so inform each employee organization and each employee who is hired or retained under this Agreement. SUB-RECIPIENT shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY OF SANTA ANA.

§104. Conditions Precedent to Execution of This Agreement

SUB-RECIPIENT shall provide copies of the following documents to the CITY OF SANTA ANA, unless otherwise exempted.

- A. Grant Assurances in accordance with section 415C of this Agreement attached hereto as Exhibit C and made part hereof.
- B. Certifications Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549 in accordance with Section 415A12 of this Agreement and attached hereto as Exhibit A and made a part hereof.
- C. Certifications and Disclosures Regarding Lobbying in accordance with Section 415C of this Agreement and attached hereto as Exhibit B and made a part hereof. SUB-RECIPIENT shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT.

## II TERM AND SERVICES TO BE PROVIDED

### §201. Time of Performance

The term of this Agreement shall commence on November, 18, 2015 and end on April 30, 2018 or upon the final disbursement of all of the Grant Amount (as defined in Section 301) and any additional period of time as is required to complete any necessary close out activities. Said term is subject to the provisions herein.

### §202. Use of Grant Funds

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds and in accordance with grant guidelines set forth above; or, b) reimburse SUB-RECIPIENT for purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, services, exercises and training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Santa Ana Grant Coordinator and it will be provided.
- B. SUB-RECIPIENT shall provide any reports requested by the CITY regarding the performance of the Agreement. Reports shall be in the form requested by the CITY, and shall be provided in a timely manner.
- C. The Authorized Equipment List (AEL) is a list of the allowable equipment which may be purchased pursuant to this Agreement and is located at [http://www.fema.gov/media-library-data/20130726-1825-25045-7138/fema\\_preparedness\\_grants\\_authorized\\_equipment\\_list.pdf](http://www.fema.gov/media-library-data/20130726-1825-25045-7138/fema_preparedness_grants_authorized_equipment_list.pdf), and incorporated to this Agreement by reference. A copy of the AEL shall be retained in the Anaheim/Santa Ana Grant Office. Unless otherwise stated in program guidance any equipment acquired pursuant to this Agreement shall meet all mandatory regulations and/or DHS-adopted standards to be eligible for purchase using grant funds. SUB-RECIPIENT shall provide the CITY a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements. Federal procurement requirements for the FY 15 UASI Grant can be found at 2 Code of Federal Regulations (CFR) Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
2. Shall be consistent with needs as identified in the National Priorities and Core Capabilities, the State Homeland Security Strategy and the Anaheim/Santa Ana Urban Area and Orange County Operational Area Homeland Security Grants Strategy; and deployed in conformance with those plans;
3. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
4. Shall be subject to the requirements of Title 2 CFR Part 200.313 and 200.314. For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more.;
5. Shall be used by SUB-RECIPIENT in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer useful for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
6. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.
7. Shall be recorded on a ledger. This record must be updated bi-annually and forwarded to the City. The record shall include: (a) description of the item of Equipment, (b) a serial number or other identification number, (c) the source of funding for the property (including the FAIN), (d) who holds the title, (e) the acquisition date, (f) the cost of the property, (g) percentage of Federal participation in the project costs for the Federal award under which the property was

acquired, (h) location, (i) use and condition of Equipment, and (j) ultimate disposition data including the date of disposal and sale price of the property. Records must be retained pursuant to 2 CFR Part 200.313.

8. All equipment obtained under this Agreement shall have an ASUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible.
  9. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every two years. Inventory shall also be taken prior to any UASI, State or Federal monitor visits.
  10. SUB-RECIPIENT shall exercise due care to preserve and safeguard equipment acquired with grant funds from damage or destruction and shall provide regular maintenance and such repairs for said equipment as necessary, in order to keep said equipment continually in good working order. Such maintenance and servicing shall be the sole responsibility of SUB-RECIPIENT, who shall assume full responsibility for maintenance and repair of the equipment throughout the life of said equipment.
- D. Any training paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above. All training expenses must be pre-authorized by Cal-OES at <http://www.firstrespondertraining.gov/admin>. A catalogue of Grantor approved and sponsored training courses is available at [http://www.firstrespondertraining.gov/odp\\_webforms](http://www.firstrespondertraining.gov/odp_webforms).
- E. Any exercise paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <http://hseep.dhs.gov>.
- F. Any planning paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above.
- G. Any organizational activities paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above.



### **III** **PAYMENT**

#### **§301. Payment of Grant Funds and Method of Payment**

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds; or, b) reimburse SUB-RECIPIENT for the purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, exercises, services or training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Santa Ana Grant Coordinator and it will be provided. Funds may be used for planning, exercises, organizational and training activities, and the purchase of equipment as described in Section 202 above.
- B. SUB-RECIPIENT shall provide quarterly invoices to the CITY requesting payment and all supporting documentation. Each reimbursement request shall be accompanied by the Reimbursement Request for Grant Expenditures detailing the expenditures made by SUB-RECIPIENT as authorized by Section 202 above. Each reimbursement request shall be submitted to the Santa Ana UASI Grant Office. For equipment for which SUB-RECIPIENT is requesting reimbursement, all appropriate back-up documentation must be attached to the reimbursement form, including invoices, proof of payment, packing slips, and Equipment Reimbursement Worksheet. For training reimbursements, SUB-RECIPIENT must include a copy of any certificates issued or a copy of the class roster verifying training attendees, proof that a CalOES tracking number has been assigned to the course, timesheets and payroll registers for all training attendees, receipts for travel expenses related to the training, and Training Reimbursement Worksheet. For regional project reimbursements, SUB-RECIPIENT must include approval from the lead agency for all submitted invoices.
- C. Payment of final invoice shall be withheld by the CITY until the SUB-RECIPIENT has turned in all supporting documentation and completed the requirements of this Agreement.
- D. It is understood that the CITY makes no commitment to fund this Agreement beyond the terms set forth herein.
- E. Funding for all periods of this Agreement is subject to the continuing availability to the CITY of federal funds for this program. The Agreement may be terminated immediately upon written notice to SUB-RECIPIENT of a loss or reduction of federal grant funds.

IV  
STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Sub-recipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Sub-recipient as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY. This Agreement shall be enforced and interpreted under the laws of the State of California and the CITY.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only by a written instrument executed by both parties hereto.

§404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine

restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§406. Prohibition Against Assignment or Delegation

SUB-RECIPIENT may not, unless it has first obtained the written permission of the CITY:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§407. Permits

SUB-RECIPIENT and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for SUB-RECIPIENT performance hereunder and shall pay any fees required therefore. SUB-RECIPIENT further certifies to immediately notify the CITY of any suspension, termination, lapses, non renewals or restrictions of licenses, certificates, or other documents.

§408. Nondiscrimination and Affirmative Action

SUB-RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, SUB-RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, pregnancy, denial of medical and family care leave, pregnancy disability leave, or medical condition. SUB-RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

SUB-RECIPIENT shall comply with California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships. If required, SUB-RECIPIENT shall submit an Equal Employment Opportunity

Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>,

Any subcontract entered into by the SUB-RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this § 408.

**§409. Bonds**

SUB-RECIPIENT must purchase a performance bond for any equipment item over \$250,000 or any vehicle (including aircraft or watercraft) financed with homeland security funds. SUB-RECIPIENT must provide a copy of performance bond to CITY no later than the time of reimbursement.

**§410. Indemnification**

Each of the parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party solely by virtue of said Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein. SUB-RECIPIENT certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

**§411. Conflict of Interest**

- A. SUB-RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
  2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
  3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such

person would have a "financial or other interest" in the subcontract.

**B. Definitions:**

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
  2. The term "financial or other interest" includes but is not limited to:
    - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
    - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The SUB-RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The SUB-RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Contractor.
- E. Prior to obtaining the CITY'S approval of any subcontract, the SUB-RECIPIENT shall disclose to the CITY any relationship, financial or otherwise, direct or indirect, of the SUB-RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the SUB-RECIPIENT, State of California, and Federal regulations regarding conflict of interest.
- G. The SUB-RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The SUB-RECIPIENT covenants that no member, officer or employee of SUB-RECIPIENT shall have interest, direct or indirect, in any contract or

subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

- I. The SUB-RECIPIENT shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "SUB-RECIPIENT" and "sub subcontractor" for "Subcontractor".

§412. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250, et seq.).

§413. Statutes and Regulations Applicable To All Grant Contracts

- A. SUB-RECIPIENT shall comply with all applicable requirements of state, federal, county and SUB-RECIPIENT laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. SUB-RECIPIENT shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB)

SUB-RECIPIENT shall comply with 2 Code of Federal Regulation (CFR) Part 200 (Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, SUB-RECIPIENT shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; Title 2 Code of Federal Regulations, Part 200, Subpart F Audit Requirements; and any administrative regulation or field memos implementing the Act. When reporting under on the FY15 UASI Grant Program under the Single Audit Act, SUB-RECIPIENT shall use Catalog of Federal Domestic Assistance (CFDA) Program Number 97.067 "Homeland Security Grant Program"; Grant Identification Number 2015-00078; and identify the CITY OF SANTA ANA as the Pass-Through.

3. Americans with Disabilities Act

SUB-RECIPIENT hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §§ 12101, et seq., and its implementing regulations. SUB-RECIPIENT will provide reasonable

accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. SUB-RECIPIENT will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the SUB-RECIPIENT, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than \$100,000 in grant funds or more than \$150,000 in loan funds, SUB-RECIPIENT shall submit to the CITY a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC §1352. A copy of the Certificate is attached hereto as Exhibit B. No funds will be released to SUB-RECIPIENT until the Certification is filed.

SUB-RECIPIENT shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

In accordance with 2 CFR §200.336, at any time during normal business hours and as often as the CITY, the U.S. Comptroller General, and/or the Auditor General of the State of California may deem necessary, SUB-RECIPIENT shall make available for examination all of its records with respect to all matters covered by this Agreement. The CITY, the U.S. Comptroller General and/or the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including SUB-RECIPIENT'S invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

SUB-RECIPIENT agrees to provide any reports requested by the CITY regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of three (3) years after the date of submission of the final expenditure report by the CITY and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The CITY may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Orange unless authorization to remove them is granted in writing by the CITY.

7. Subcontracts and Procurement

SUB-RECIPIENT shall comply with the federal and SUB-RECIPIENT standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

SUB-RECIPIENT shall ensure that the terms of this Agreement with the CITY are incorporated into all Subcontractor Agreements. The SUB-RECIPIENT shall submit all Subcontractor Agreements to the CITY for review prior to the release of any funds to the subcontractor. The SUB-RECIPIENT shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

8. Labor

SUB-RECIPIENT shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements, and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

SUB-RECIPIENT shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment. None of the funds shall be used to promote or deter Union/labor organizing



activities. CA Gov't Code Sec. 16645, et seq.

9. Civil Rights

SUB-RECIPIENT shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) which may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

SUB-RECIPIENT shall comply, or has already complied, with the requirements of Titles II and III of the Uniform relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

SUB-RECIPIENT shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO

11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451, et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401, et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

SUB-RECIPIENT shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271, et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

SUB-RECIPIENT shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801, et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

SUB-RECIPIENT shall comply with the Federal Water Pollution Control Act (33 U.S.C. 1251-1387) which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

SUB-RECIPIENT shall comply with the Federal Clean Water Act (CWA) (33 U.S.C §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.

SUB-RECIPIENT shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, SUB-RECIPIENT ensures that it is in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000, et seq. and is not impacting the environment negatively.

SUB-RECIPIENT shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

## 11. Preservation

SUB-RECIPIENT shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1, et seq.).

12. Suspension and Debarment

SUB-RECIPIENT shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and SUB-RECIPIENT shall submit a Certification Regarding Debarment required by Executive Order 12549 and any amendment thereto. Said Certification shall be submitted to the CITY concurrent with the execution of this Agreement and shall certify that neither SUB-RECIPIENT nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department head or agency. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, SUB-RECIPIENT will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government.

13. Drug-Free Workplace

SUB-RECIPIENT shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, 44 CFR Part 67; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§ 8350-8357.

14. Financial Management

SUB-RECIPIENT will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

15. Reporting – Accountability

SUB-RECIPIENT agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of

Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

SUB-RECIPIENT must also comply with statutory requirements for whistleblower protections at 10 U.S.C. §2409, 41 U.S.C. §4712, and 10 U.S.C. §2324, 41 U.S.C. §4304 and §4310 and 31 U.S.C. §6101 et seq.

16. Human Trafficking

SUB-RECIPIENT will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

17. Freedom of Information Act

SUB-RECIPIENT acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. SUB-RECIPIENT should also consult State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

B. Statutes and Regulations Applicable To This Particular Grant

SUB-RECIPIENT shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Title 2 Code of Federal Regulations (CFR) Part 200; EO 12372; Department of Justice (DOJ) Office of Judicial Programs (OJP) Office of the Comptroller, U.S. Department of Homeland Security, Preparedness Directorate Financial Management Guide; U.S. Department of Homeland Security, Office of Grants and Training, FY 2015 Homeland Security Grant Program –Notice of Funding Opportunity; ODP WMD Training Course Catalogue; and DOJ Office

for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445-2448.

Provisions of 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government- Wide Requirements for a Drug Free Workplace (grants).

## 2. Travel Expenses

SUB-RECIPIENT as provided herein may be compensated for SUB-RECIPIENT'S reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Travel including in-State and out-of-State travel shall not be reimbursed without prior written authorization from the UASI Grant Office.

SUB-RECIPIENT'S travel and per diem reimbursement costs shall be reimbursed based on the SUB-RECIPIENT'S travel policies and procedures. If SUB-RECIPIENT does not have established travel policies and procedures, SUB-RECIPIENT'S reimbursement rates shall not exceed the amounts established under 5 U.S.C 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under federal awards (48 CFR 31.205-46(a)).

3. Personally Identifiable Information

SUB-RECIPIENT collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate

4. Hotel and Motel Fire Safety Act of 1990

SUB-RECIPIENT must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

5. Terrorist Financing E.O. 13224

SUB-RECIPIENT must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism.

6. USA Patriot Act of 2001

SUB-RECIPIENT must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

7. Noncompliance

SUB-RECIPIENT understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds, and repayment by SUB-RECIPIENT to CITY of any unlawful expenditures.

C. Compliance With Grant Assurances

To obtain the Grant Funds, the Grantor required an authorized representative of the CITY to sign certain promises regarding the way the Grant Funds would be spent ("Grant Assurances"), attached hereto as Exhibit C. By signing these Grant Assurances, the CITY became liable to the Grantor for any funds that are used in violation of the grant requirements. SUB-RECIPIENT shall be liable to the Grantor for any funds the Grantor determines SUB-RECIPIENT used in violation of these Grant Assurances. SUB-RECIPIENT shall indemnify and hold harmless the CITY for any sums the Grantor determines SUB-RECIPIENT used in violation of the Grant Assurances.

#### §414. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of SUB-RECIPIENT as an independent party and not as a CITY employee.

#### §415. Inventions, Patents and Copyrights

##### A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the SUB-RECIPIENT shall report the fact and disclose the Invention promptly and fully to the CITY. The CITY shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the CITY and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). SUB-RECIPIENT

hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

##### B. Rights to Use Inventions

CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

##### C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the author or the CITY, at the CITY'S discretion, may copyright the Material. If the CITY declines to copyright the Material, the CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive,



irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

3. SUB-RECIPIENT shall comply with 24 CFR 85.34.

**D. Rights to Data**

The Grantor and the CITY shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

**E. Obligations Binding on Subcontractors**

SUB-RECIPIENT shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

**§416. Minority, Women, And Other Business Enterprise Outreach Program**

It is the policy of the CITY to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all SUB-RECIPIENT contracts, including procurement, construction and personal services. This policy applies to all Contractors and Sub-Contractors.



V  
DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should SUB-RECIPIENT fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the CITY reserves the right to terminate the Agreement, reserving all rights under state and federal law.

§502. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by SUB-RECIPIENT and any increase or decrease in the amount of compensation which are agreed to by the CITY and SUB-RECIPIENT shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

SUB-RECIPIENT agrees to comply with all future CITY Directives, or any rules, amendments or requirements promulgated by the CITY affecting this Agreement.

VI  
ENTIRE AGREEMENT

**§601. Complete Agreement**

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

**§602. Number of Pages and Attachments**

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-five (26) pages and three (3) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City and ORANGE COUNTY FIRE AUTHORITY have caused this Agreement to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

CITY OF SANTA ANA, a municipal  
Corporation of the State of California

By: \_\_\_\_\_  
Maria D. Huizar  
Clerk of the Council

By: \_\_\_\_\_  
David Cavazos  
City Manager

RECOMMENDED FOR APPROVAL:

By: \_\_\_\_\_  
Carlos Rojas  
Chief of Police

SUB-RECIPIENT  
ORANGE COUNTY FIRE AUTHORITY

APPROVED AS TO FORM:

By: \_\_\_\_\_

Printed Name \_\_\_\_\_

By: \_\_\_\_\_  
Laura Rossini  
Senior Assistant City Attorney

Title \_\_\_\_\_

APPROVED AS TO FORM

By: \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT A**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER**  
**RESPONSIBILITY MATTERS**

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under the applicable CFR covering New Restrictions on Government-wide Debarment and Suspension (Nonprocurement). The certification shall be treated as a material representation of fact upon which reliance will be placed when the Agency determines to award the covered transaction or cooperative agreement.

As required by Executive Order 12549, Debarment and Suspension, and implemented under the applicable CFR, for prospective participants in covered transactions, as defined in the applicable CFR

A. The applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal State or local) with commission of any of these offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

\_\_\_\_\_  
Authorized Agent Signature

Address: \_\_\_\_\_

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_

## **INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**EXHIBIT B**  
**CERTIFICATION REGARDING LOBBYING**  
**Certification for Contracts, Grants, Loans**  
**and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
AGREEMENT NUMBER

\_\_\_\_\_  
CONTRACTOR/BORROWER/AGENCY

\_\_\_\_\_  
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**EXHIBIT C**  
**California Governor's Office of Emergency Services**  
**FY 2015 Grant Assurances**  
(For All Cal OES Federal Grant Programs)

Name of Applicant: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

**Federal Regulations**

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are housed in Title 2, Part 200 of the Code of Federal Regulations (CFR) and in updates issued by the Office of Management and Budget (OMB) on <http://www.whitehouse.gov/omb/>.

**Significant state and federal grant award requirements (some of which appear in the documents listed above) are called out below. The Applicant hereby agrees to comply with the following:**

**1. Proof of Authority**

The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board or authorized body agree:

- (a) To provide all matching funds required for said project and that any cash match will be appropriated as required.
- (b) That any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
- (c) That grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.
- (d) That the official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon demand.

**2. Period of Performance**

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

**3. Lobbying and Political Activities**

As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives



from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Finally, the Applicant agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the Federal awarding agency.

#### **4. Debarment and Suspension**

As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. The Applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default.



Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

#### **5. Non-Discrimination and Equal Employment Opportunity**

The Applicant will comply with all Federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
- (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA (42 U.S.C. 12101, et seq.);
- (e) Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
- (f) Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended (P.L. 96-181), relating to nondiscrimination on the basis of Treatment or recovery from drug abuse;
- (g) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
- (h) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
- (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
- (j) EO 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin;
- (k) EO 11375, which bans discrimination on the basis of sex in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (l) California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships;
- (m) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and
- (n) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code sections 12940, 12945, 12945.2) and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

## **6. Drug-Free Workplace**

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will or will continue to provide a drug-free workplace and a drug-free awareness program as outlined in the Act.

## **7. Environmental Standards**

The Applicant will comply with State and Federal environmental standards which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§15000-15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
- (d) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Orders (EO) on the Environmental Justice Act (EO 12898) and Environmental Quality (EO 11514);
- (e) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to EO 11738;
- (f) Protection of wetlands pursuant to EO 11990;
- (g) Evaluation of flood hazards in floodplains in accordance with EO 11988;
- (h) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
- (i) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);
- (j) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523);
- (k) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205);
- (l) Wild and Scenic Rivers Act of 1968 (16 U.S.C. §1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Finally, the Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to §13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

## **8. Audits**

For subrecipients expending \$750,000 or more in Federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

## **9. Access to Records**

In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients,

contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

#### **10. Conflict of Interest**

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

#### **11. Financial Management**

##### **False Claims for Payment**

The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

#### **12. Reporting - Accountability**

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. §2409, 41 U.S.C. §4712, and 10 U.S.C. §2324, 41 U.S.C. §4304 and §4310 and 31 U.S.C. §6101 et seq.

#### **13. Human Trafficking**

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

#### **14. Labor Standards**

The Applicant will comply with the following federal labor standards:

- (a) Comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. §3145 and 18 U.S.C. §874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction contracts or subcontracts.
- (b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

#### **15. Worker's Compensation**

The Applicant must comply with provisions which require every employer to be insured against liability for Worker's Compensation before commencing performance of the work of this Agreement, as per California Labor Code §3700.

## **16. Property-Related**

If applicable to the type of project funded by this Federal award, the Applicant will:

- (a) Comply the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.).
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

## **17. Certifications Applicable Only to Federally-Funded Construction Projects**

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

## **18. Freedom of Information Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. The Applicant should also consult its own State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

## **19. California Public Records Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities may be subject to the California Public Records Act (California Government Code §§6250-6276.48), which requires inspection and/or disclosure of governmental records to the public upon request, unless exempted by law.



## **HOMELAND SECURITY GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS**

### **20. Personally Identifiable Information**

Subrecipients collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate.

### **21. Disposition of Equipment**

When original or replacement equipment acquired under this award is no longer needed for the original project or program or for other activities currently or previously supported by the Department of Homeland Security/Federal Emergency Management Agency, subrecipients must request instructions from Cal OES on proper disposition of equipment.

### **22. Reporting Accusations and Findings of Discrimination**

If, during the past three years, the subrecipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the subrecipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to Cal OES for reporting to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.

If any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status against the subrecipient, or the subrecipient settles a case or matter alleging such discrimination, subrecipients must forward a copy of the complaint and findings to Cal OES for forwarding to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

### **23. Acknowledgement of Federal Funding from DHS and Use of DHS Seal, Logo and Flags**

All subrecipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

All subrecipients must obtain DHS's approval prior to using DHS seal(s), Logos, crests or reproductions of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

### **24. Copyright**

All subrecipients must affix the applicable copyright notices of 17 U.S.C. §§401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).

### **25. Energy Policy and Conservation Act**

All subrecipients must comply with the requirements of 42 U.S.C. §6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issues in compliance with this Act.

### **26. Hotel and Motel Fire Safety Act of 1990**

All subrecipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention

and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

**27. Terrorist Financing E.O. 13224**

All subrecipients must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of subrecipients to ensure compliance with the E.O. and laws.

**28. USA Patriot Act of 2001**

All subrecipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

**IMPORTANT**

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts.

The undersigned represents that he/she is authorized by the above named applicant to enter into this agreement for and on behalf of the said applicant.

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**MAYOR**  
 Miguel A. Pulido  
**MAYOR PRO TEM**  
 Sal Tinajero  
**COUNCIL MEMBERS**  
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 P. David Benavides  
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**CITY MANAGER**  
 David Cavazos  
**CITY ATTORNEY**  
 Sonia R. Carvalho  
**CLERK OF THE COUNCIL**  
 Maria D. Huizar

## CITY OF SANTA ANA

### POLICE DEPARTMENT

60 Civic Center Plaza • P.O. Box 1981  
 Santa Ana, California 92702

### OFFICE OF THE CHIEF OF POLICE

November 18, 2015

Jeff Bowman, Fire Chief  
 Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602

**SUBJECT: Notification of Sub-Recipient Award**  
 FY2015 Urban Area Security Initiative (UASI) Grant Program  
 Grant #2015-00078, CFDA# 97.067  
 Sub-Recipient Performance Period: November 18, 2015 to April 30, 2018

<b>Requesting Jurisdiction:</b>	Orange County Fire Authority	
<b>Projects:</b>	C-6) Wildland Urban Interface Pre-Fire Plans	\$50,000
	H-1) UASI Regional Training Program - Instructors	\$47,727
	H-2) Regional Fire Training	<u>\$70,000</u>
<b>Total Award:</b>		<b>\$167,727</b>

Dear Chief Bowman:

This letter serves to inform you that the Orange County Fire Authority has been approved for grant funding under the FY2015 Urban Areas Security Initiative (UASI) Grant Program. A project application was submitted by OCFA requesting grant funding to develop Wildland Urban Interface Pre-Fire Plans within the region. An in depth process of the application and project concept was necessary prior to approval. This process is required due to stringent UASI Grant Guidelines that must be adhered to. Following the review, the project was found to be viable based on investment justification, regional benefit, and degree of applicability to the overarching Urban Area goals and objectives.

The Orange County Fire Authority has also been approved for training funds under the FY15 UASI Grant Program. The Anaheim/Santa Ana UASI (ASAU) recognizes the importance of training and will continue to provide funding for regional training. As part of a more centralized approach, multiple agencies have assumed key responsibilities in hosting and delivering training to further

November 18, 2015

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Orange County's preparedness mission. Leaders from each jurisdiction are collaborating on the planning and establishment of core training for their respective disciplines to ensure the needs of the region are met at every level.

Reimbursement for overtime and backfill for training is no longer being offered by the ASUA due to an overall reduced award received in recent years. However, the grant will continue to provide reimbursement for personnel who assist with the instruction and delivery of the approved UASI courses. The funding allocation below is being provided as an estimated value of training instructor participation based on the number of first responders in your agency that have been approved to teach. It is being provided for your City's respective internal budgetary needs only and does not reflect a direct allocation as in the past. Additional funds may be awarded at a later time depending on your agency's participation and available dollars.

Regional Training Program – Instructor Participation

Fire Department: \$47,727

Additional training funds are also being allocated to your agency for the hosting of approved regional fire training courses as selected by the Fire Chiefs. The allocated funds will be used by your agency to pay for costs incurred by the OCFA Training Facility for delivering the specified fire courses. These delivery costs include, but are not limited to: instructors, materials, and facility space. As stated above, the amount being allocated is an estimate based on delivery of the regional courses selected and does not represent a direct allocation.

Fire Training – Course Delivery & Hosting

Fire Department: \$70,000

As outlined in the FY15 Sub-Recipient Grant Guidance, reimbursement requests and progress reports are to be submitted to the UASI Grant Office on a quarterly basis. The Quarterly Project Status Report will allow the grant office to work closely with your City and its designated UASI representatives, ensuring your project is completely successful. Final Training Reimbursement Requests are due no later than **December 31, 2017** and Final Equipment/Salary Reimbursement Requests are due no later than **March 31, 2018**.

If you have any questions regarding this letter, please feel free to contact UASI Grant Coordinator Sgt. Brad Hadley at (714) 245-8720 or [bhadley@santa-ana.org](mailto:bhadley@santa-ana.org).

Sincerely,



CARLOS ROJAS  
Chief of Police

SANTA ANA CITY COUNCIL

Miguel A. Pulido  
Mayor  
[MPulido@santa-ana.org](mailto:MPulido@santa-ana.org)

Vincent F. Sarmiento  
Mayor Pro Tem, Ward 1  
[VSarmiento@santa-ana.org](mailto:VSarmiento@santa-ana.org)

Michele Martinez  
Ward 2  
[MMartinez@santa-ana.org](mailto:MMartinez@santa-ana.org)

Angelica Amezcua  
Ward 3  
[AAmezcua@santa-ana.org](mailto:AAmezcua@santa-ana.org)

P. David Benavides  
Ward 4  
[DBenavides@santa-ana.org](mailto:DBenavides@santa-ana.org)

Roman Reyna  
Ward 5  
[RReyna@santa-ana.org](mailto:RReyna@santa-ana.org)

Sal Tinajero  
Ward 6  
[STinajero@santa-ana.org](mailto:STinajero@santa-ana.org)





Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4A**  
**Discussion Calendar**

**Community Risk Reduction**  
**Staffing and Workload**

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**Contact(s) for Further Information**

Lori Smith, Assistant Chief/Fire Marshal  
Community Risk Reduction Department

[lorismith@ocfa.org](mailto:lorismith@ocfa.org)

714.573.6016

Lori Zeller, Assistant Chief  
Business Services Department

[lorizeller@ocfa.org](mailto:lorizeller@ocfa.org)

714.573.6020

**Summary**

This agenda item is submitted to request approval to fund/unfreeze positions in the Community Risk Reduction Department (CRR) to enable the Department to meet workload demands and achieve established goals for turnaround times.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve changes to the Master Position Control list unfreezing the Community Risk Reduction positions as described in the report.
2. Direct staff to include funding in the proposed Mid-Year FY 2015/16 Budget Review and the FY 2016/17 Proposed Budget to restore two frozen positions in the Community Risk Reduction Department, as recommended in the report.

**Impact to Cities/County**

Restoration of the frozen positions will enable staff to meet City needs for development projects more quickly and better facilitate approval of projects on behalf of the development community.

**Fiscal Impact**

The approximate annual FY 2016/17 cost to fund the Fire Prevention Analyst is estimated at \$176,225; the cost to fund the Assistant Fire Marshal is \$180,692, for a combined annual cost of \$356,917. Both positions will support fee-funded activities, and therefore, the cost will be offset by corresponding CRR fee revenues and will not impact charges to cash contract cities.

**Background**

***Current CRR Workload Impacts***

Several years ago the Board of Directors approved the classification of Fire Prevention Analyst (12 positions) in order to establish a professional plan review team that would promote efficiencies for the building community. The increase of staff came with the promise of a 10-day

turnaround for complex plans and a 5-day turnaround for simpler plans. Through the lean years the plan review staff was reduced to 8 Analysts.

The workload for the CRR Department has continuously increased over the past three years as the economy has improved and development activity has increased. Since 2012, plan submittals have increased by 35%, partly due to the addition of the City of Santa Ana. The team of eight Fire Prevention Analysts is processing approximately 500-800 plans per month. Overtime is offered every closed Friday, with an average of 18 hours per week worked. Third party contractor plan review is also utilized for less complex plan review. The team meets the 5-day goal over 90% on-time, but only meets the 10-day goal 74% on-time. The team does meet a 15-day goal 98% on-time.

The Planning and Development team has 21 staff members assigned to two Assistant Fire Marshals. Additionally five staff members are assigned to the City of Irvine under a Fire Safety Engineer. The increase and complexity of plan submittals has required an Analyst be assigned to an Assistant Fire Marshal move-up to manage the permit counter and six staff members. The span of control for adequately monitoring workload has been challenging resulting in weakened monitoring and accountability.

#### ***Request to Restore Frozen Positions***

Staff is requesting approval to restore funding for one frozen Fire Prevention Analyst and one frozen Assistant Fire Marshal. Restoration of these positions will facilitate faster plan review turnaround, the return of an Analyst to plan review functions, improved time log tracking and workload, and staff accountability.

In regards to timing, staff requests to fund the Fire Prevention Analyst mid-year in FY 2015/16, with a target start date of March 1, 2016. With the Board's approval, partial year funding in the amount of \$58,195 will be included in the Mid-Year Budget Review submitted to the Board in January. The timing for the Assistant Fire Marshal is proposed for July 1, 2016, and with the Board's approval, funding in the amount of approximately \$180,692 will be included in the FY 2016/17 Proposed Budget. The ongoing costs for both positions will be included in the updated 2016 Fee Study, as further described below.

#### ***Updated Fee Study Timeline***

Since completion of the 2015 Fee Study, staff has continued to research questions raised by Director Gamble in relation to time tracking of CRR personnel, as well as how costs are categorized as "direct" vs. "indirect." Much effort has been focused on improved time tracking, with the goal of improving consistency in the way each staff member documents and categorizes his/her time, as well as better identifying those activities that directly touch frontline businesses that are receiving CRR services (fee-funded activities) and those activities that are more general support of our member agencies and which are not considered to be fee-funded activities.

Staff anticipates completion of the refined time tracking by the end of January 2016, with all changes in place by January 31 for consistent measurement. The months of February and March 2016 will then be used as the go-forward measurement period, based on the new/improved time tracking. Once we have the new time tracking data for February-March, a new Fee Study will be performed in the final quarter of FY 2015/16, for Board consideration in July 2016.

#### ***Attachment(s)***

None.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4B**  
**Discussion Calendar**

**Communications and Public Affairs Department**  
**Staffing and Workload**

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**Contact(s) for Further Information**

Sandy Cooney, Director [sandycooney@ocfa.org](mailto:sandycooney@ocfa.org) 714.573.6801  
Communications and Public Affairs Department

Lori Zeller, Assistant Chief [lorizeller@ocfa.org](mailto:lorizeller@ocfa.org) 714.573.6020  
Business Services Department

**Summary**

This agenda item is submitted to request approval to fund additional Public Information Officer (PIO) positions. The added PIO positions will enable the department to better meet the significant workload demands of the media and public information office.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve changes to the Master Position Control list to add two Public Information Officer positions as described in the report.
2. Direct staff to include funding in the proposed Mid-Year FY 2015/16 Budget Adjustment and the FY 2016/17 Proposed Budget for two additional Public Information Officer positions.

**Impact to Cities/County**

The addition of two public information officer positions will improve OCFA's ability to serve the public information needs on behalf of our cities and the county, depending upon the incident or issue.

**Fiscal Impact**

The mid-year cost for two additional Public Information Officers effective March 1, 2016 is \$173,998. The increased annual cost to fund two additional Public Information Officer positions, and provide 24-hour coverage with a 48/96 schedule for all three PIOs is approximately \$521,993.

**Background**

OCFA's single Public Information Officer position has remained static, despite the organization's significant growth and an exponential increase in fire and medical calls. Between 2005 and 2014, OCFA incidents have grown from slightly more than 80,000 per year to nearly

120,000 per year. PIO incident response during that same period has more than doubled, from 235 incidents in 2005 to more than 500 in 2014.

The current model, utilizing a single full-time PIO, relies too heavily on one individual (with support from part-time backup PIOs and the BC) to solely support this responsibility. The duties are such that it is difficult to rely on part-time personnel to perform effectively as OCFA's PIO on a consistent basis. Turnover among the part-time personnel has been frequent, creating additional hours of training to keep up a cadre of qualified individuals. Relief for the staff PIO can only be provided on a day-to-day basis, since the backup PIOs are not always able to free themselves from their regular shift schedules.

During a 24-hour day, when the busiest times for incidents take place at night and on weekends, having all shifts covered with a public information officer (Attachment 1 - Plan D) is how an organization of OCFA's size and demand should be staffed. The pace of conveying information and responding to inquiry is moving faster by the day. All news outlets, from print and broadcast, also have an online presence fueled by a 24-hour news cycle and social media platforms that require instantaneous attention.

Having three Public Information Officer positions provides the highest level of coverage to be able to respond quickly for emergency and non-emergency operations. It provides for depth in the program by utilizing three trained personnel and allows for assisting with weekend community events. The workload of PIO duties is evenly spread between three individuals. A group of trained part-time PIOs is used to support large extended incidents and as relief for the full-time PIOs (sick time, vacation, etc.).

The PIO function is an integral part of OCFA and the Communications and Public Affairs Department. In fact, in examining our PIO composition when compared with other similar-sized or like organizations (Attachment 2) is either understaffed, or well understaffed, depending upon the organization compared.

Staff requests to fund the two Public Information Officer positions mid-year FY 2015/16 with a target date of March 1, 2016. With the Board's approval, partial year funding in the amount of \$173,998 will be included in the Mid-Year Budget Adjustment submitted to the Board in March. Also, with Board approval, increased funding in the amount of \$521,992 will be included in the FY 2016/17 Proposed Budget for two additional Public Information Officer positions, with all three PIOs on a 48/96 schedule.

#### **Attachment(s)**

1. PIO Staffing Options
2. OCFA PIO Staffing vs. Similar-Sized Fire Service Organizations

## PIO Staffing Options

The following list compares costs associated with four different plans for staffing to provide public information. Plan A is the current model, Plans B and C utilize two fire captains on 4/10 staff schedules that overlap, and Plan D utilizes three fire captains on shift schedules.

### PLAN A – 1 PIO on a 9/80 schedule (Current Operations, 5-Day Coverage)\*

PIO	Schedule	Work Hours/Yr.	On Call Hours/Yr.	OV Hours/Yr.
<b>One Fire Captain</b>	9/80	2314	6446	1276 (incident hrs)
<b>Salary &amp; Benefits</b>	\$237,088x1	\$237,088		
<b>On Call</b>			\$85,861	
<b>OV (Estimated)</b>				\$80,878
<b>TOTAL COST</b>				<b>\$403,827</b>

### PLAN B – 2 PIOs on 4/10 Schedules (Tuesday & Wednesday Overlap, 6-Day Coverage, Saturdays Open)\*

PIO	Schedule	Work Hours/Yr.	On Call Hours/Yr.	OV Hours/Yr.
<b>Two Fire Captains</b>	4/10	3432	5328	1055 (incident hrs)
<b>Salary &amp; Benefits</b>	\$237,088x2	\$474,176		
<b>On Call</b>			\$70,969	
<b>OV (Estimated)</b>				\$66,850
<b>TOTAL COST</b>				<b>\$611,995</b>

### PLAN C – 2 PIOs on 4/10 Schedules (Wednesday Overlap, 7-Day Coverage)\*

PIO	Schedule	Work Hours/Yr.	On Call Hours/Yr.	OV Hours/Yr.
<b>Two Fire Captains</b>	4/10	4004	4756	941 (incident hrs)
<b>Salary &amp; Benefits</b>	\$237,088x2	\$474,176		
<b>On Call</b>			\$63,350	
<b>OV (Estimated)</b>				\$59,673
<b>TOTAL COST</b>				<b>\$597,199</b>

### PLAN D – 3 PIOs on 48/96 Schedule (7-Day Coverage)\*

PIO	Schedule	Work Hours/Yr.	On Call Hours/Yr.	OV Hours/Yr.
<b>Three Fire Captains</b>	Shift 48/96	8760	0	0 (SP&VT included in salary as backfill)
<b>Salary &amp; Benefits</b>	\$253,027x3	\$759,081		
<b>On Call</b>			\$0	
<b>OV (Estimated)</b>				\$0
<b>TOTAL COST</b>				<b>\$759,081</b>

*\*Each plan would continue to utilize additional personnel trained as back-up PIOs to provide additional coverage.*

### OCFA PIO Staffing vs. Similar-Sized Fire Service Organizations

The current staffing model for PIO is one fire captain on a 9/80 schedule and supported with ten part-time PIOs (staff and field captains) to assist with covering on-call hours. During the first six months of this year, the full-time PIO was either working or on-call an average of 511 hours out of 720 hours in a month (30 days). For comparison, a staff employee works 176 hours or a firefighter works 240 hours in the same time period. The chart below illustrates how some of our neighboring fire agencies staff their public information offices.

Department		Section Structure				
		Staffing	Schedule	On Call	Rank	Pay
<b>Orange County Fire Authority</b>	117,097 (2013)	1 Staff PIO  10 Part-Time Backup PIOs	9/80	Staff PIO with some coverage by backups	Captain	Staff Bonus
<b>Long Beach City</b>	70,244 (2012)	3 Staff PIOs	4/10	Rotating weekly coverage	Captain	Staff Bonus
<b>Los Angeles City</b>	406,088 (2013)	3 Shift PIOs 2 Staff PIOs  10 Part-Time Backup PIOs	Shift Schedule 4/10	No on call due to shift coverage	Captain	Staff Bonus
<b>Los Angeles County</b>	329,119 (2013)	4 Staff PIOs	4/10	Rotating weekly coverage	Captain and Engineer	
<b>San Diego City</b>	129,880 (2014)	2 Staff PIOs	1 on 4/10 and 1 on 5/8	Shared by the two staff PIOs	Captain and Civilian	Staff Bonus
<b>Ventura County</b>	34,779 (2012)	2 Staff PIOs  30 Part-Time Backup PIOs	9/80	Shared by staff PIOs and back-up PIOs	Captain and Civilian	Staff Bonus



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4C**  
**Discussion Calendar**

**Conduct Analysis of Field Operations**  
**Urban Search & Rescue/Technical Rescue Truck Operations and Staffing**

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**Contact(s) for Further Information**

Brian Young, Assistant Chief  
Organizational Planning Department

[brianyoung@ocfa.org](mailto:brianyoung@ocfa.org)

714.573.6014

Dave Thomas, Assistant Chief  
Operations Department

[davidthomas@ocfa.org](mailto:davidthomas@ocfa.org)

714.573.6012

**Summary**

This item seeks approval of recommendations to address staffing and operational issues in the Urban Search & Rescue (US&R) and Technical Rescue Truck (TRT) programs. The proposed actions were developed by a collaborative workgroup comprised of subject matter experts, labor representatives and management to address the initiative as identified in the 180-Day Plan and FY 2015/16 Domain Objectives.

- Initiative 3.1 – Establish working groups to address key operational issues, such as USAR/technical rescue trucks staffing

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Establish 7.5% specialty compensation for Urban Search & Rescue trained Technical Rescue Truck personnel at an approximate annual cost of \$527,556.
2. Direct staff to include funding for a pro-rated share of this cost in the proposed Mid-Year FY 2015/16 Budget Review.

**Impact to Cities/County**

Approval of the workgroup recommendations will improve OCFA's ability to staff key specialty positions with qualified personnel and improve the longevity of personnel in these key assignments, which ultimately results in improved regional response capabilities on behalf of the citizens we serve.

**Fiscal Impact**

The proposed specialty pay cost of \$527,556 annually will be partially offset by reduced training costs of approximately \$120,000 currently incurred to train new personnel due to lack of retention in the program. Funding of the specialty pay would require a pro-rated mid-year budget adjustment in FY 2015/16 of approximately \$264,000.



## **Background**

A workgroup comprised of labor and management began meeting in February 2015 to discuss operational and staffing issues that have been occurring in the US&R and TRT programs. These are not new issues. This is the fourth formal evaluation of the program in recent years. Comprehensive reviews took place in 2007, 2010, and 2013.

The current workgroup identified the following key issues/concerns:

- Lack of consistent specialty unit availability
- Inconsistent US&R asset response
- Lack of retention in the program
- Significant reoccurring training costs for personnel new to the program
- Need for formalized skill sets as outlined in NFPA 1006 and NFPA 1670

The group discussed options for addressing these issues, and worked towards a consensus on recommendations intended to resolve their concerns. The workgroup identified the following recommendations for improvement in the US&R and TRT programs:

- Establish 7.5% specialty compensation for US&R trained TRT personnel
- Support a daily staffing model to guarantee resource availability
- Recognize NFPA 1006 and NFPA 1670 and train to a technician level
- US&R/TRT personnel to participate in all identified skill sets
- Reduce the number of air operations support trucks from four to two
- Establish an interview process for the Fire Captain position prior to voluntary transfer
- Update the dispatch response matrix for US&R assets
- Establish a group of fully qualified part-time US&R members to support staffing needs

Following these proposed recommendations, the OCFA will be better prepared to provide the highest level of emergency, fire, rescue, and emergency medical services with daily staffing and longevity in the program. Upon approval by the Board, these recommendations are anticipated to take effect February 19, 2016.

## **Attachment(s)**

None.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4D**  
**Discussion Calendar**

**Conduct Analysis of Field Operations**  
**Hazardous Materials Team Operations and Staffing**

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**Contact(s) for Further Information**

Brian Young, Assistant Chief  
Organizational Planning Department

[brianyoung@ocfa.org](mailto:brianyoung@ocfa.org)

714.573.6014

Dave Thomas, Assistant Chief  
Operations Department

[davidthomas@ocfa.org](mailto:davidthomas@ocfa.org)

714.573.6012

**Summary**

This item seeks approval of recommendations to address staffing and operational issues in the Hazardous Materials Response Team programs. The proposed actions were developed by a collaborative workgroup comprised of subject matter experts, labor representatives and management to address the initiative as identified in the 180-Day Plan and FY 2015/16 Domain Objectives.

- Initiative 3.1 – Establish working groups to address key operational issues, such as Hazardous Material Response Team staffing.

**Prior Board/Committee Action**

Not applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Establish 2.5% specialty compensation for Hazardous Material Response Team members who have achieved Specialist Certification and who have been assigned to the team for a minimum of two years at an annual cost of \$132,501.
2. Direct staff to include funding for a pro-rated share of the annual cost in the proposed Mid-Year FY 2015/16 Budget Review.

**Impact to Cities/County**

Approval of the workgroup recommendations will improve OCFA's ability to staff key specialty positions with qualified personnel and improve the longevity of personnel in these key assignments, which ultimately results in improved regional response capabilities on behalf of the citizens we serve.

**Fiscal Impact**

The proposed specialty pay cost of \$132,501 annually will be partially offset by reduced training costs of approximately \$60,000 currently incurred to train new personnel due to lack of retention in the program. Funding of the specialty compensation would require a pro-rated mid-year budget adjustment in FY 2015/16 of approximately \$66,000.

## Background

A workgroup comprised of subject matter experts, labor representatives and management began meeting in February 2015 to discuss operational and staffing issues that have been occurring in the Hazardous Materials Response Team (HMRT) Program.

The Orange County Fire Department formed a HMRT in 1983. There are currently three HMRTs in the county (Anaheim, Huntington Beach and OCFA). The HMRT was originally created to respond to industrial hazardous materials incidents. In the post 9/11 environment, the scope of the HMRT mission has evolved to include Weapons of Mass Destruction (WMD) response and Joint Hazard Assessment Team (JHAT) responses. JHAT is made up of resources from HMRT, Special Weapons and Tactics (SWAT) and the Orange County Sheriff's Department Hazardous Device Squad. Throughout the history of the HMRT operational and staffing issues have been evaluated.

The current workgroup identified the following key issues:

- Lack of retention in the program
- Lack of trained personnel availability
- Difficulty recruiting new personnel
- Significant reoccurring training costs for personnel new to the program
- Significant workload impacts external to the HMRT program

The group discussed options for addressing these issues, and worked towards a consensus on recommendations intended to resolve the issues. Recommendations included:

- Establish 2.5% specialty compensation for HMRT members who have achieved Specialist Certification and who have been assigned to the team for a minimum of two years
- Support a daily staffing model to guarantee resource availability
- Establish an interview process for the Fire Captain position prior to voluntary transfer
- Convert three positions on the HMRT to Paramedic/HazMat
- Move program oversight to Battalion 9 Chiefs
- Move HMRT from current location (UCI) to Fire Station 20 (Irvine-opening 2017)
- Create cost recovery mechanism for criminal negligence hazardous materials incidents

The workgroup identified the areas for improvement in the HMRT program. Following these recommendations, the OCFA will be better prepared to provide the highest level of emergency, fire, rescue, and emergency medical services.

## Attachment(s)

None.



## **Background**

### ***Schedule***

Following the February 28, 2015, direction of the Board, staff implemented a 24 hour/7 days per week staffing of the Helicopter Program. Data was compiled by strategic services to provide a retrospective look at the six-month period to determine if the program changes were indeed enhancements. As a result of 24-hour operations, helicopter availability more than doubled from 80 to 168 hours per week. During the 227 day period, the Helicopter Program received 201 calls for service. Of those 201 incidents, 18% or 36 additional incidents were captured that normally would have fallen outside of the prior duty schedule. This is slightly less but close to the estimated 25% of incidents missed as referenced in the earlier staff report. No calls for service were turned down due to inability to staff or lack of available aircraft. Two requests for service were turned down due to the incident not meeting the threshold necessary on the risk assessment performed by the flight crew to justify accepting the mission.

### ***Crew Member***

Staffing the helicopter with a Firefighter/Paramedic occurred on 54 weekend days during the last six months. A total of 22 patients were provided paramedic level escort while transported with the helicopter. This enhancement improved patient care, increased safety and reduced response times by eliminating the need to land and pick up a paramedic and reducing the need to pick up part-time rescuers. By providing an Advance Life Support capability to the helicopter, the OCFA has provided a better depth of service than it previously had and has become more versatile in its response coverage. More than half of the incidents that the helicopter responded to were medical in nature. All of the remote medical aids required confined space landings at unimproved landing zones. Some of the rescues required one skid insertions or the need for the rescuer to be inserted using the hoist. Several of the patients had injuries requiring that they be hoisted to the helicopter in a stokes-litter basket before being transported to the hospital. Since the Paramedic rescuer is also a firefighter, his firefighting skills were also used on the vegetation fires that the helicopter responded to. Some examples include: target acquisition, monitoring the effectiveness of the tactics employed, fire ground communication, locating water sources to fill the aircraft, managing the landing zone, and fueling the aircraft.

### **Attachment(s)**

None.



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4F**  
**Discussion Calendar**

**FY 2015/16 Mid-Year Financial Report**

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**Contact(s) for Further Information**

Lori Zeller, Assistant Chief Business Services Department	<a href="mailto:lorizeller@ocfa.org">lorizeller@ocfa.org</a>	714.573.6020
Tricia Jakubiak, Treasurer	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
Deborah Gunderson, Budget Manager	<a href="mailto:deborahgunderson@ocfa.org">deborahgunderson@ocfa.org</a>	714.573.6302

**Summary**

This item is submitted to provide a mid-year financial update on the FY 2015/16 budget in accordance with the OCFA's Fiscal Health Plan.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a budget adjustment in Fund 121 increasing expenditures to allocate \$12,609,380 of available unencumbered funds identified in the FY 2014/15 financial audit to OCFA's unfunded pension liability.
2. Approve a budget adjustment in Fund 121 increasing expenditures to increase the FY 2015/16 Jurisdictional Equity Adjustment Payments by \$962,809 resulting in full accrual of the payments per the Second Amendment to the Amended Joint Powers Agreement, pending resolution of the appeal.
3. Approve a budget transfer of \$204,793 from Fund 121 to Fund 12110 to provide full fund balance in Fund 12110 to accommodate all Capital Improvement Program projects.
4. Approve a modification to the Five-Year Capital Improvement Program as proposed.
5. Direct staff to return to the Board of Directors in March 2016 for approval of all additional proposed budget adjustments for the FY 2015/16 budget.

**Impact to Cities/County**

Annual increases for cash contract cities are estimated at 2% for FY 2016/17 and 2% for FY 2017/18 (excluding catch-up provision) based on the Five-Year Financial Forecast.

**Fiscal Impact**

Financial impact has been presented in the attached report.

## **Background**

See attached extended background.

## **Attachment(s)**

Mid-Year Financial Report

Exhibit 1 – JEAP Calculation

Exhibit 2 – Trend Graph -- Forecast to Actual comparison

Exhibit 3 – Updated Five-Year Financial Forecast

Exhibit 4 – Five-Year Financial Forecast Assumptions

Exhibit 5 – Updated Five-Year Capital Improvement Program Schedules

### Background

The updated Fiscal Health Plan, approved by the Board in November 2013, calls for a comprehensive system to monitor OCFA's fiscal performance. This includes a review and comparison of forecasted revenues and expenditures against actual revenues and expenditures, as well as a mid-year budget review. The attached report reviews the current year budget, highlights any potential financial challenges to the OCFA, and previews anticipated FY 2016/17 budget issues.

### ***FY 2015/16 Budget Review***

Significant changes have occurred since the budget was adopted in May 2015, including increases to beginning fund balance, increase in property taxes, increases in both revenue and expenditures related to assistance-by-hire emergency responses, as well as all approved adjustments to-date such as re-budgets and new grant funds. These changes are detailed in the attached Mid-Year Financial Report.

### ***FY 2014/15 Fund Balance Available***

As part of the mid-year review, prior year final fund balances were also reviewed. The audited financial statements for the fiscal year ended June 30, 2015, identified approximately \$12.6 million in unencumbered fund balance. On November 19, 2015, the Board approved a payment to Orange County Employees Retirement System of this balance to continue the Expedited Pension Payment Plan.

### ***FY 2015/16 Jurisdictional Equity Adjustment Payments (JEAP)***

With the ratification of the Second Amendment to the Joint Powers Agreement (JPA), JEAPs are required for qualifying Structural Fire Fund (SFF) members. The Second Amendment to the JPA specifically provides that the City of Irvine be paid 100% of its JEAP in FY 2015/16, as well as an additional JEAP payment when Irvine's jurisdictional SFF revenue figure, net of the initial JEAP payment, exceeds that year's not-to-exceed amount, as set forth in Article IV, Section 4.B.(2). Other qualifying agencies are due 50% of their calculated payment in this year with subsequent years ratio growing until it reaches 100%.

The JEAP calculation has been performed and is attached as Exhibit 1 in the Mid-Year Financial Report. The calculation determined that total JEAP payments of \$8,810,857 are due as follows:

- City of Irvine -- \$7,764,142
- City of Laguna Woods -- \$15,903
- City of Rancho Santa Margarita -- \$281,211
- County of Orange -- \$749,600

\*Please note due to rounding the total may not equal the sum of the components

A budget adjustment is necessary as the adopted budget included only an estimate of SFF revenues. As the actual revenues were received and the required Auditor-Controller reports were published, the calculation was updated. Although the financial forecast model has been updated to include these updated figures, the budget itself requires an adjustment to increase expenditures by \$962,809.

On August 7, 2014, a Superior Court judge ruled the Second Amendment to the JPA invalid. OCFA and the City of Irvine have appealed this ruling as the Second Amendment is very important to the long-term stability of the OCFA and all member agencies. Given the uncertainty of the legal outcome and based on advice from General Counsel, OCFA will be transferring JEAPs to appropriate Equity Payment holding accounts pending resolution of the appeal. Any interest accrued during the time the funds are held will be paid when the legal action has resolved.



# ORANGE COUNTY FIRE AUTHORITY

## Mid-Year Financial Report

### January 2016

In November 2013, the Board of Directors approved the updated Fiscal Health Plan and Financial Stability Budget Policies. These documents describe the Authority's strong fiscal policies, a comprehensive system for monitoring OCFA's fiscal performance, and a framework to assure timely and appropriate response to adverse fiscal circumstances. Included in the Fiscal Health Plan is the requirement for a mid-year financial report, which is presented here for the Budget and Finance Committee's review.

### ECONOMIC OUTLOOK

Property tax is OCFA's largest source of revenue; therefore this section focuses on economic factors impacting property values. The December 2015 Chapman Economic and Business Review forecast estimates a 3.7% median home price increase in Orange County in 2016. The factors influencing this estimate have not changed over the past several years; "...in spite of low mortgage rates, housing affordability has declined sharply since 2012, when home prices rebounded and income growth stagnated."

Chapman estimates that increased construction spending will continue in 2015-16, however the rate of increase will be "sharply lower than the 2013-14 period when builders responded to tight inventory and higher home prices and rushed to build." The increased spending continues to have a longer-term positive benefit for OCFA's largest revenue source, property tax, as constructed properties are sold and/or reassessed after improvements are made.

### CURRENT FISCAL YEAR FINANCES

The following are estimated changes to the General Fund budget that are needed since the adoption of the FY 2015/16 budget in May 2015. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$11.4 million and an estimated total expenditure increase of \$20.0 million when the full UAAL paydown of \$12.6 million to OCERS is included. Staff expects to return in March 2016 to request the remaining technical budget adjustments in the required areas:

#### *FY 2015/16 Potential Revenue Adjustments*

**Property Taxes:** Based on secured tax billings provided by the Auditor/Controller, preliminary projections indicate an approximately \$3.5 million increase over budget. **\$3,500,000**

**Assistance by Hire (ABH):** Assistance by Hire is the term used when OCFA responds to requests for assistance on incidents outside areas of our responsibility on a reimbursement basis. Current year activity is \$7.0 million greater than budget due to various out-of-county responses. Staff will be monitoring this source of revenue for additional reimbursements. A corresponding expenditure adjustment is also proposed to the overtime/backfill category **\$7,000,000**

**Miscellaneous:** This category of revenue adjustments includes changes to facility maintenance charges for some cash contract cities to reconcile actuals to estimated budgets for the current fiscal year, as well as adjustments for the receipt of revenues from bankruptcy proceeds, donations, restitution and decreases to the expected Advanced Life Support (ALS) transport reimbursement category. **\$883,000**

**FY 2015/16 Potential Expenditure Adjustments in the General Fund**

**Accelerated pension pay-down payment to OCERS:** The FY 2014/15 annual audit identified approximately \$12.6 million of unencumbered fund balance available at the end of the fiscal year. On November 19, 2015, the Board approved a payment to the Orange County Employees Retirement System (OCERS) of this balance to continue the Expedited Pension Payment Plan. **\$12,609,380**

**Jurisdictional Equity Adjustment Payments (JEAP):** JEAPs are required for qualifying Structural Fire Fund (SFF) members. A budget adjustment is necessary as the adopted budget included only an estimate of SFF revenues. As the actual revenues were received and the required Auditor-Controller reports were published, the calculation was updated. Although the financial forecast model has been updated to include these updated figures, the budget itself requires an adjustment to increase expenditures by \$962,809. **\$962,809**

**ABH Overtime/Backfill:** As mentioned under Revenue for ABH, expenditures for ABH will also require an increase of approximately \$5.6 million related to out-of-county responses. **\$5,600,000**

**Personnel related changes:** **\$163,935**  
**Net increase**

- Community Risk Reduction Planning & Development (P&D): As described in a separate staff report included in this agenda packet, this Section has experienced a significant increase in service demands, requiring a need to reassess the level of staffing and frozen positions. P&D continues to be impacted by increasing construction activity in Orange County. Providing service to the development community without causing delays in turnaround times and excessive overtime use will require us to unfreeze and fill two vacant positions, one Fire Prevention Analyst and one Assistant Fire Marshal. We are requesting an adjustment of approximately \$58,000 to fill the Fire Prevention Analyst in the current fiscal year. The funding for the Assistant Fire Marshall will be included in the FY 2016/17 annual budget. The estimated annual cost to fill these two positions is \$356,917.
- US&R and Technical Rescue Programs: A collaborative working group comprised of labor and management was formed to address key operational issues, such as staffing on the US&R and technical rescue trucks. The workgroup identified several key issues, including: lack of retention in the program, and significant recurring training costs for new personnel. The working group recommended a host of suggestions including the introduction of a 7.5% specialty pay bonus for US&R trained technical rescue personnel. We are requesting approximately \$264,000 to fund the change in the remaining portion of the fiscal year. The estimated annual cost to provide this bonus to 48 personnel is approximately \$528,000.
- Hazardous Materials Programs: A collaborative working group comprised of labor and management was formed to address key operational issues, such as the Hazardous Materials Programs. The workgroup identified several key issues, including: lack of retention in the program, and significant recurring training costs for new personnel. The working group recommended a host of suggestions

including an additional 2.5% specialty pay bonus for long-term team members, trained to the Specialist level. This change would increase the bonus from 7.5% and 15% to 10% and 17.5% respectively, depending on the rank of the personnel. We are requesting approximately \$66,000 to fund the change in the remaining portion of the fiscal year. The annual cost to make this change is approximately \$132,000.

- Air Operations: As described on the separate report on this agenda, in February 2015, the Board directed staff to implement a 24/7 operating schedule for the Air Operations Program. This change was initially funded with overtime to add a crew member on the weekends. This change would add one post-position (3 full-time firefighter/paramedics) to the crew on a permanent basis, and is estimated to cost approximately \$665,000 annually. We are requesting approximately \$333,000 to fund the positions for the remainder of the current fiscal year.
- PIO Position: As described in a separate staff report included in this agenda packet, staff is requesting approval and funding for two additional Public Information Officer positions. The cost for the remainder of the fiscal year is approximately \$174,000. The additional annual cost is estimated at \$521,993 for the two additional PIO positions, and to reflect all three positions (the two new positions, plus the one existing position) on a 48/96 schedule.
- Phase Two Service Enhancements: In November 2015, the Board approved the next phase of Service Delivery Enhancements. This phase included conversions of six paramedic van to twelve paramedic engines. Although no additional personnel were required to effect this change, it did expand the personnel eligible for a specialty bonus pay. The estimated annual cost for the expanded bonus pay is \$442,195. We are requesting an adjustment of approximately \$185,000 for five months of the fiscal year.
- Miscellaneous Personnel updates: The remainder of the personnel related budget adjustment requests include funding for a temporary extra help position in the Finance section, and a \$1.0 million decrease to the overall salary and employee benefits budget in Operations to recognize the salary savings from position vacancies in the current fiscal year. This number will be refined further in the next two months

**BANNER System Support:** Funding in the amount of \$62,500 is being requested to support the Banner financial system upgrade. This upgrade has been deferred for six years, in part because of a lack of necessary resources to implement the upgrade. This funding would support specific training, and extra help staff to develop and enhance the upgraded reporting capabilities. **\$62,500**

**Professional Services:** Funding in the amount of \$231,000 is requested to support the Board's direction to extend the professional labor negotiator's contract, the Special Counsel in the Irvine-Equity matter, and complete an independent analysis of our current print environment prior to replacing our existing copiers. **\$231,000**

**Supplies and Equipment Replacement:** Approximately 00 is requested to fund the replacement of certain pieces of equipment, and additional supplies and equipment related to: El Nino preparation; hose and other equipment to equip a Type 1 and **\$461,000**

Tractor Drawn Aerial arriving in the current fiscal year; sunscreen and mounting brackets; forklift replacement; Bauer air compressor replacement; and augmentation of the Swift Water Rescue services and supplies budget.

**USAR Warehouse Maintenance:** When the warehouse was purchased **\$40,000** development of the FY 2015/16 budget had already been concluded; therefore, the annual maintenance and operational costs of approximately \$40,000 were not included. This funding would provide the necessary budget to fund the required property taxes, insurances, utilities and common area maintenance on the building.

**General Fund / Fund Balance and Capital Improvement Program (CIP) Funds**

- **Beginning Fund Balances:** As part of the annual mid-year adjustment, beginning fund balances will be adjusted in accordance with the FY 2014/15 year-end audit. These increases resulted primarily from additional revenue received in the fiscal year, as well as salary savings and S&S savings in the General Fund. The CIP beginning fund balance adjustments largely result from ongoing projects not being completed during the fiscal year which were rebudgeted to FY 2015/16.
- **Budget Transfer:** A transfer from the General Fund to Fund 12110 in the amount of \$204,793 is necessary to ensure adequate fund balance in Fund 12110 to accommodate the rebudgeted and adjustments to project schedules in the General Fund CIP.
- **Fund 12110 – General Fund CIP:** Several projects in Fund 12110 are unable to be performed in the current fiscal year. The requested adjustment will remove or transfer funding in FY 2015/16 from the following projects: Mobile Data Computer Project (P303); Network/Servers/Security (P337); Business Data Storage/Backup/Recovery (P339); and GIS Plotters/Printers/Equipment (P342). An increase to project funding for the Station Phones/Alarms (P334) is requested, as well as the introduction of a LED lighting project at the Regional Fire Operations and Training Center (RFOTC). The net impact is a reduction of expenditures of approximately \$617,000.
- **Fund 123 – Fire Stations and Facilities:** New developer contribution revenues and bankruptcy proceeds in the total amount of approximately \$1.6 million will be recognized in this fund, as well as an expenditure rebudget for Fire Station 56 (Sendero) project closeout costs. Expenditures will be increased by approximately \$52,000.
- **Fund 124 – Communications and Information Systems:** Bankruptcy proceeds in the approximate amount of \$313,000 will be recognized in this fund, as well as expenditure reductions for two projects which will not be performed in the current fiscal year: Orange County Fire Incident Reporting System (P325) and Integrated Fire Prevention (P326). Expenditures will be decreased in the amount of \$4.8 million.
- **Fund 133 – Fire Apparatus:** Bankruptcy proceeds in the approximate amount of \$192,000 will be recognized in this fund, as well as adjustments to expenditures removing or transferring funding for projects which cannot be performed in the current fiscal year, including: Purchase of Type 1 Engines 5201 and 5157, five paramedic squads which were duplicate budget entries, net of the additional amount needed to purchase the correct number of paramedic squads this year; an ambulance; four full-size cargo vans; and three pickup trucks. Transferred funding will accommodate the purchase of Truck 22, which needs an early replacement, as well as increase the budget for the compressed air foam patrol system vehicle. Expenditures will be decreased in the net amount of approximately \$363,000.

## **FUTURE FISCAL YEAR FINANCES**

Significant factors that are anticipated to influence the FY 2016/17 budget include:

- **Prepayment of OCERS Contributions** – Staff will conduct an analysis of OCFA's cash flow position; we expect to prepay half of the employer contributions in the amount of approximately \$29 million to OCERS to take advantage of an approximately 5.8% discount.
- **Property Taxes** - Since property tax is the largest source of income for the General Fund at about 63% we have again contracted with Rosenow, Spevacek Group, Inc. (RSG) to update our property tax projections. Updated preliminary information for our FY 2016/17 budget will not be available until February 2016; therefore, in the interim we are continuing to use RSG's prior projection for FYs 2016/17 through 2019/20 of the Five-Year Financial Forecast. The Chapman Economic and Business Review forecast projected that property tax revenue will show continued, albeit slow, growth.
- **Retirement Rates** - The Orange County Employees Retirement System (OCERS) Board has adopted retirement rates for FY 2016/17. Compared to the FY 2015/16 rates, employer rates for safety employees will decrease by approximately 1.52% of pay as a result of a three year smoothing of rate increases in the safety employee category. Employer rates for general employees will decrease by approximately 3.63% of pay.

## **PENDING ISSUES**

- **Tax & Revenue Anticipation Note (TRAN)** – As in the current fiscal year, the OCFA is anticipating the need to issue a TRAN in early FY 2016/17. The TRAN will provide for short-term cash needs until we receive our regular property tax payment from the Auditor-Controller, which typically occurs in December and April.
- **Adjudication of Appeal on Second Amendment to JPA** – Staff continues to monitor the legal process as the appeal relating to the ruling in the validation matter for the Second Amendment to the JPA continues. Given the uncertainty of the legal outcome and based on advice from OCFA General Counsel, we have elected to transfer any calculated JEAP payments to internal Equity Payment holding accounts pending resolution of the appeal. Per the JPA, the funds will accrue interest at the rate earned on the OCFA portfolio, which will be transferred to the qualifying agency upon a successful resolution of the appeals process.

## **MONITORING FINANCIAL HEALTH**

### **Financial Forecast**

The Fiscal Health Plan directs staff to monitor our financial indicators through frequent updates to the Authority's Five Year Financial Forecast, measuring revenues, expenditures, debt, and committed and uncommitted fund balance. These categories are forecast using all available information, Board actions, and economic conditions (Exhibits 3 and 4).

A trend report has been developed comparing the differences between the forecasted data and actual financial results and is attached to this report as Exhibit 2.

Mid-Year Review  
Exhibit 1

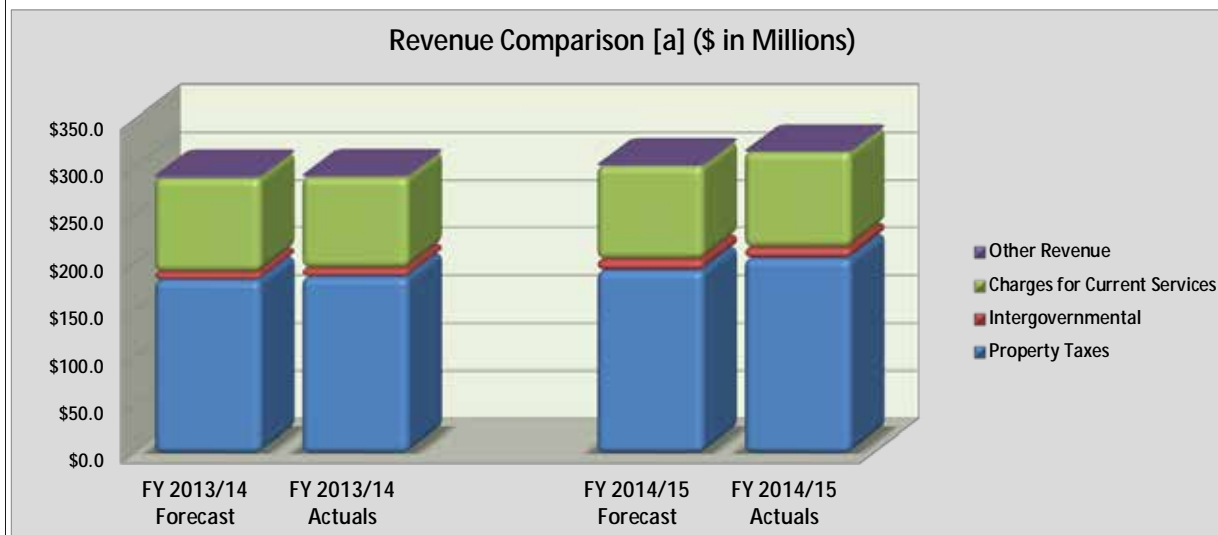
Orange County Fire Authority  
FY 2015/16 Equity Calculations  
December, 2015

I. Calculate Average SFF Rate								
Description	Agmt. Ref.	Source			Amount	Calculation		
Total SFF Revenue Figure	Pg. 3, Sec. 4.A.(1)	AT68AD-73 Auditor Controller Accumulation of Combined Prior Year and Current Year ATI			213,682,033	[A]		
Total AV Figure	Pg. 4, Sec. 4.A.(2)	AT04VC-74 Auditor Controller District Values Used to Set Tax Rates			184,620,567,504	[B]		
SFF Basic Levy Figure	Pg. 4, Sec. 4.A.(3)	Total AV Figure X 1%			1,846,205,675	[C] = [B] X 1%		
Average SFF Rate	Pg. 4, Sec. 4.A.(4)	SFF Revenue Figure / SFF Basic Levy Figure			11.57%	[D] = [A] / [C]		
II. Calculate Jurisdictional Equity Adjustment Payment								
City	Jurisdictional SFF Revenue Figure per Auditor-Controller AT68AD-73 Report	Jurisdictional AV Figure per Auditor-Controller AT04VC-74 Report (L&I)	Jurisdictional Basic Levy Figure	Jurisdictional SFF Rate	Over-Funded SFF Jurisdictions	Jurisdictional Equity Adjustment Payment	Additional Irvine Equity Adjustment Payment	Phase in payment due in FY 2015/16 (applicable agencies) 50%
Agreement Ref. Calculation	Pg. 5, Sec. 4.A.(5).a [E]	Pg. 5, Sec. 4.A.(5).b [F]	Pg. 5, Sec. 4.A.(5).c [G]=[F] X 1%	Pg. 5, Sec. 4.A.(5).d [H]=[E] / [G]	Pg. 5, Sec. 4.A.(6) IF [H] > [D]	Pg. 6, Sec. 4.A.(6) [I]=([H]X[G])-(D)X[G])	Pg. 8, Sec. 4.B.(3)	
Aliso Viejo	10,097,519	8,907,735,199	89,077,352	11.34%				
Cypress	4,701,843	5,284,265,325	52,842,653	8.90%				
Dana Point	11,912,343	10,360,815,009	103,608,150	11.50%				
Irvine	73,883,489	57,805,964,552	578,059,646	12.78%	11.57%	6,978,181	785,961	7,764,142
Laguna Hills	6,452,428	6,286,392,033	62,863,920	10.26%				
Laguna Niguel	14,677,182	13,992,794,133	139,927,941	10.49%				
Laguna Woods	3,064,476	2,620,217,130	26,202,171	11.70%	11.57%	31,805		15,903
Lake Forest	13,270,443	11,561,969,144	115,619,691	11.48%				
La Palma	1,483,090	1,614,926,335	16,149,263	9.18%				
Los Alamitos	1,820,245	1,832,018,899	18,320,189	9.94%				
Mission Viejo	15,688,165	14,694,052,468	146,940,525	10.68%				
Rancho Santa Margarita	9,306,628	7,554,964,211	75,549,642	12.32%	11.57%	562,422		281,211
San Juan Capistrano	6,969,386	6,060,325,707	60,603,257	11.50%				
Villa Park	1,626,437	1,592,206,694	15,922,067	10.21%				
Yorba Linda	10,439,907	11,300,828,306	113,008,283	9.24%				
County Unincorporated	28,288,451	23,145,823,493	231,458,235	12.22%	11.57%	1,499,201		749,600
Total OCFA SFF	213,682,033	184,615,298,638	1,846,152,986			9,071,609	785,961	8,810,857
III. Calculate Irvine Additional JEAP								
Fiscal Year	Growth Assumptions (Per RSG Through FY2018-19, then 4.5% Thereafter)	Projected Jurisdictional Basic Levy	Projected Irvine SFF Revenue Figure	Projected Jurisdictional Equity Adjustment Payment	SFF Revenue Figure Net of Jurisdictional Equity Adjustment Payment	NTE	Additional JEAP	Total Irvine JEAP
Agreement Ref. Calculation	[J]	[K]=Prior Year X (1+[J])	[L]=Prior Year X (1+[J])	[M]=([K]X12.78%)-([K]X11.57%)	Pg. 8, Sec. 4.B.(3) [N]=[L]-[M]	Pg. 8, Sec. 4.B.(2)	Pg. 8, Sec. 4.B.(3) IF [N]>[O], THEN [N]-[O]	
FY2013-14		491,400,860	62,818,290	5,976,162	56,842,128	61,723,118	-	5,976,162
FY2014-15		533,524,312	68,300,059	6,513,240	61,786,819	63,883,427	-	6,513,240
FY2015-16	5.11%	578,059,646	73,883,489	6,978,181	66,905,308	66,119,347	785,961	7,764,142
FY2016-17	4.93%	606,557,986	77,525,945	7,322,205	70,203,740	68,433,524	1,770,216	9,092,421
FY2017-18	4.92%	636,400,639	81,340,222	7,682,458	73,657,764	70,828,697	2,829,067	10,511,525

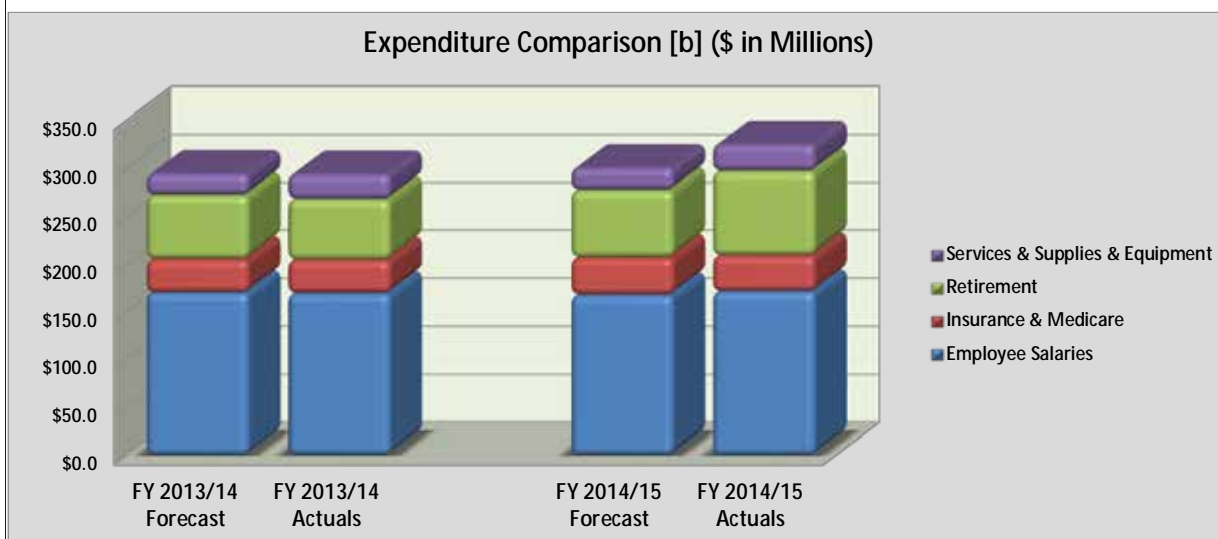
## 2015 Trend Analysis: Summary of 2-Year Forecast vs. Adjusted Actuals

Comparison of 2013/14 Forecast as Presented in 2012/13 Adopted Budget to 2013/14 Actuals  
and

Comparison of 2014/15 Forecast as Presented in 2013/14 Adopted Budget to 2014/15 Actuals



[a] Actual revenue adjusted for one-time sources not forecasted such as assistance by hire revenue, grant revenue, and one-time revenue associated with RDA dissolutions.



[b] Actual expenditures adjusted for one-time items not forecasted such as grant expenditures. See Exhibit D - 2-Year Forecast vs. Difference between forecast and actuals in FY 2014/15 primarily due to Jurisdictional Equity Adjustment Payments and one-time UAAL paydown expenditures not projected in FY 2013/14.



	ADJUSTED FY 2015/16	PROJECTED FY 2016/17	PROJECTED FY 2017/18	PROJECTED FY 2018/19	PROJECTED FY 2019/20
<b>A. BEGINNING FUND BALANCE</b>	<b>168,158,649</b>	<b>158,316,431</b>	<b>147,648,965</b>	<b>152,780,451</b>	<b>165,017,122</b>
<b>GENERAL FUND REVENUES</b>					
Property Taxes	217,925,079	227,892,614	238,330,333	247,923,810	257,327,099
State Reimbursements	4,893,198	4,893,198	4,893,198	4,893,198	4,893,198
Federal Reimbursements	100,000	100,000	100,000	100,000	100,000
One-Time Grant/ABH/RDA	9,708,558	-	-	-	-
Community Redevelopment Agency Pass-thru	9,948,979	10,643,280	11,094,201	11,594,173	12,107,860
Cash Contracts	90,762,822	93,932,149	96,636,975	99,924,926	103,288,298
Community Risk Reduction Fees	6,448,604	6,448,604	6,448,604	6,448,604	6,448,604
ALS Supplies & Transport Reimbursement	3,929,330	3,929,330	3,929,330	3,929,330	3,929,330
Interest Earnings	658,828	824,447	1,173,152	1,276,541	1,291,423
Other Revenue	2,518,146	1,306,874	1,306,874	1,306,874	1,306,874
Transfers from General Fund Cashflow Fund (OCERS Pre-Pay)	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>346,893,544</b>	<b>349,970,495</b>	<b>363,912,667</b>	<b>377,397,456</b>	<b>390,692,686</b>
<b>GENERAL FUND EXPENDITURES</b>					
New Positions for New Stations	-	1,465,935	3,021,198	3,113,248	5,712,654
Employee Salaries	177,165,635	180,750,351	181,520,867	181,520,867	181,520,867
Retirement - Regular Annual Payments	69,672,170	69,596,811	73,051,971	71,667,129	70,790,299
Retirement - Paydown of UAAL (Rate Savings)	2,802,122	1,653,114	1,886,420	3,167,397	1,648,658
Retirement - Paydown of UAAL (Unencumb. Funds)	12,609,380	-	-	-	-
Retirement - Paydown of UAAL (\$1M per Year from WC)	-	1,000,000	1,000,000	1,000,000	1,000,000
Retirement - Paydown of UAAL (\$1M per Year, Increasing)	-	1,000,000	3,000,000	5,000,000	7,000,000
Workers' Comp Transfer out to Self-Ins. Fund	12,751,677	12,653,279	12,903,604	13,541,804	13,948,058
Other Insurance	25,492,117	27,982,207	30,593,962	33,400,974	36,465,972
Medicare	2,445,641	2,607,044	2,607,525	2,607,525	2,607,525
One-Time Grant/ABH Expenditures	6,272,884	-	-	-	-
Salaries & Employee Benefits	309,211,626	298,708,742	309,585,547	315,018,943	320,694,033
Equity Payments	8,810,857	10,739,897	12,816,234	13,942,326	14,910,182
Services & Supplies/Equipment	29,650,802	28,439,746	28,054,696	28,715,961	28,617,440
New Station/Enhancements S&S Impacts	-	73,512	147,024	147,024	265,011
One-Time Grant Expenditures	801,578	-	-	-	-
Debt Service: Interest on TRAN	318,050	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>348,792,913</b>	<b>337,961,897</b>	<b>350,603,500</b>	<b>357,824,254</b>	<b>364,486,666</b>
<b>NET GENERAL FUND REVENUE</b>	<b>(1,899,368)</b>	<b>12,008,599</b>	<b>13,309,167</b>	<b>19,573,202</b>	<b>26,206,020</b>
<b>B. Incremental Increase in GF 10% Contingency</b>	<b>-</b>	<b>607,279</b>	<b>833,196</b>	<b>281,369</b>	<b>521,329</b>
<b>GENERAL FUND SURPLUS / (DEFICIT)</b>	<b>(1,899,368)</b>	<b>11,401,319</b>	<b>12,475,971</b>	<b>19,291,833</b>	<b>25,684,690</b>
<b>C. Operating Transfers (from) Operating Contingency</b>	<b>(1,899,368)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers to CIP Funds					
Transfers to CIP from General Fund Surplus	-	11,401,319	12,475,971	19,291,833	25,684,690
Total Operating Transfers to CIP	-	11,401,319	12,475,971	19,291,833	25,684,690
<b>Capital Improvement Program/Other Fund Revenues</b>					
Interest Earnings	1,511,303	3,317,681	4,520,904	4,746,694	5,501,686
State/Federal Reimbursement	-	-	-	-	-
Cash Contracts	1,428,656	1,471,516	1,515,662	1,561,132	1,607,966
Developer Contributions	2,967,226	-	-	1,016,577	1,744,683
Workers' Comp Transfer in from GF	12,751,677	12,653,279	12,903,604	13,541,804	13,948,058
Miscellaneous	689,602	-	-	-	-
Operating Transfers In	-	11,401,319	12,475,971	19,291,833	25,684,690
Total CIP, W/C, Other Revenues	19,348,464	28,843,796	31,416,141	40,158,040	48,487,083
<b>Capital Improvement Program/Other Fund Expenses</b>					
Fund 12110 - General Fund CIP	5,438,793	2,088,339	1,492,600	1,779,500	1,450,600
Fund 123 - Fire Stations and Facilities	906,077	7,610,000	6,500,000	-	-
Fund 124 - Communications & Information Systems	1,700,000	12,151,652	2,601,394	8,217,500	1,500,000
Fund 133 - Fire Apparatus	11,543,533	10,311,731	8,012,121	8,782,707	7,242,547
Sub-Total CIP Expenses	19,588,403	32,161,722	18,606,115	18,779,707	10,193,147
Fund 171 - SFF Entitlement	-	-	-	-	-
Fund 190 - WC Self-Ins. (Cashflow Payments per Actuary)	7,702,911	7,956,819	8,511,736	9,423,031	10,431,892
Total CIP, W/C, Other Expenses	27,291,314	40,118,541	27,117,851	28,202,738	20,625,039
<b>D. CIP SURPLUS/(DEFICIT)</b>	<b>(7,942,850)</b>	<b>(11,274,745)</b>	<b>4,298,290</b>	<b>11,955,302</b>	<b>27,862,044</b>
<b>ENDING FUND BALANCE (A+B+C+D) [a]</b>	<b>158,316,431</b>	<b>147,648,965</b>	<b>152,780,451</b>	<b>165,017,122</b>	<b>193,400,495</b>
Fund Balances					
Operating Contingency (10% of Expenditures)	31,749,609	32,356,889	33,190,085	33,471,453	33,992,783
Reserve for Cash Contract City Station Maintenance	691,265	691,265	691,265	691,265	691,265
Donations & Developer Contributions	4,923	4,923	4,923	4,923	4,923
Fund 171 - Structural Fire Fund Entitlement	703,960	731,828	769,804	809,676	855,890
Capital Improvement Program	50,999,095	33,630,150	31,631,915	37,468,662	59,496,680
Fund 190 - WC Self-Insurance	74,167,579	80,233,910	86,492,459	92,571,142	98,358,954
Total Fund Balances	158,316,431	147,648,965	152,780,451	165,017,122	193,400,495

[a] Calculation removes fund balance transfers shown under General Fund Revenues as these are already included in Beginning Fund Balance.

# Forecast Assumptions – Mid-Year Revised

## **Basic Assumptions:**

The Adopted FY 2015/16 budget, and the Five-Year Capital Improvement Plan approved by the Board of Directors on May 28, 2015 form the basis for this financial forecast with the following adjustments:

- Updated total beginning fund balance from the FY 2014/15 audited financial statements
- All approved budget adjustments that have occurred since the adoption of the budget
- Proposed FY 2015/16 Mid-Year adjustments
- Revised 5-Year CIP plan based on input from CIP managers.

## **General Fund Revenues:**

- ***Secured Property Taxes*** – Rosenow Spevacek Group’s Final 2015 Report provides the growth factors assumed for the forecast. The following are projections of current secured property tax growth:

FY 2016/17	4.93%
FY 2017/18	4.92%
FY 2018/19	4.31%
FY 2019/20	4.05%

Secured Property Tax for FY 2015/16 reflects a proposed mid-year increase of approximately \$3.2M based on the latest tax ledger data provided by the County Auditor-Controller.

- ***Public Utility, Unsecured, Homeowners Property Tax Relief, and Supplemental Delinquent Taxes*** – All of these categories of property taxes are projected to remain constant during the forecast period.
- ***State Reimbursements*** – State reimbursements are expected to remain constant, pending more details from CAL FIRE.
- ***Federal Reimbursements*** – This revenue is projected to remain constant.
- ***One-Time Grant/ABH/RDA Proceeds*** – These are one-time only revenues that vary significantly from year to year and therefore are not forecasted beyond the current year. Board actions to date and proposed mid-year adjustments will increase the FY 2015/16 adopted budget by \$9.7M for one-time increases in grants and assistance by hire.
- ***Community Redevelopment Agency Pass-thru Revenue*** – RSG completed a Redevelopment Area Excess Revenue Analysis of pass-thru and residual revenues from the dissolution of the redevelopment agencies dated 4/9/2015. The forecast figures come from this report.
- ***Cash Contracts*** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments and year-over-year changes are estimated between 2.38% and

2.75% per year, with a 4.5% cap. In addition, this revenue category includes estimated John Wayne Airport contract proceeds with an annual 4% increase cap, which is projected to continue through the forecast period.

- **Community Risk Reduction Fees** – Community risk reduction fees are projected to remain constant through the forecast period, pending any changes approved by the Board.
- **ALS Supplies & Transport Reimbursements** – A proposed mid-year adjustment will reduce ALS Transport Reimbursement revenue by approximately \$641K based on year to date receipts. This revenue is estimated to remain flat, pending any changes approved by the Board.
- **Interest Earnings** – Assumes an annual return of 1.25% for FY 2015/16, 2.50% for FY 2016/17, 3.50% for FY 2017/18 and 3.75% for FY 2018/19 and FY 2019/20. Interest earnings in FY 2015/16 include earnings from the reinvestment of TRAN proceeds.
- **Other Revenue** – This revenue source includes various items such as reimbursements for training and cost recovery for the firefighter handcrew.

### **General Fund Expenditures**

- **Salaries & Employee Benefits** – S&EB is composed of the following factors:
  - ü **New Positions for New Stations** – The forecast also assumes that four positions for a Station 20 Truck will be unfrozen 1/1/2017 and that one Station 67 engine will become operational on 7/1/2019.
  - ü **Employee Salaries** – Projected salaries reflect increases consistent with the approved labor group MOUs. In addition, salary increases are not projected for the years that follow expiration of the current MOUs.
  - ü **Retirement** – Retirement costs reflect a downward trend through the forecast period due to increasing employee retirement contributions set forth in labor group MOUs and the impact of PEPRA. Retirement costs reflecting the projected employer retirement rates are based on the OCERS adopted rates for FY 2016/17 and the Projected Employer Rates prepared by Segal Consulting and provided by OCERS on 7/10/2015. FY 2016/17 rates are approximately 3.63% lower for non-safety and 1.52% lower for safety compared to FY 2015/16 rates. The FY 2016/17 rates reflect an approved 3-year phase-in of the impact of a change in economic assumptions on employer contribution rates for Safety Members (“3-Year Phase-In”).

<b>FY</b>	<b>Safety</b>	<b>General</b>	<b>Source</b>
2015/16	49.27%	36.84%	Effective rates for FY 2015/16 adopted by OCERS
2016/17	47.75%	33.20%	Effective rates for FY 2016/17 after 3-Year Phase-In adopted by OCERS
2017/18	50.60%	33.20%	Projected Employer Rates prepared by Segal Consulting dated 7/10/2015 (Actuary has not yet provided revised projections after approved 3-Year Phase-In.)
2019/20	49.50%	32.70%	
2020/21	48.80%	32.40%	

The FY 2014/15 Budget includes a mid-year adjustment of \$12.6M for accelerated paydown of OCFA's Unfunded Actuarial Accrued Liability (UAAL) from unencumbered fund balance carried over from FY 2014/15.

In accordance with the Updated Snowball Strategy presented to the board in November 2015, outer years of the forecast include the following projected UAAL paydowns:

- Contributing additional funds each year using projected savings that will be realized under new Public Employees' Pension Reform Act (PEPRA) starting at \$2.8M in FY 2015/16 and continuing in different amounts until payment is complete.
- Contributing an additional \$1M each year starting in 2016/17 and increasing by \$2M each year until it reaches \$15M and continuing at \$15M thereafter
- Contributing \$1 million per year from surplus fund balance available in the Workers' Compensation Self Insurance Fund starting in FY 2016/17 for 5 years.

ü **Workers' Compensation** – FY 2015/16 assumes a 50% confidence level for ongoing Workers' Compensation costs. The 50% confidence level is assumed throughout the forecast period. Workers' Compensation costs in the forecast period are based on projected payments in the Rivelle Consulting Services January 2015 Study.

ü **Other Insurance** – Medical insurance rates for firefighters are assumed to grow annually by 9%. For staff members, it is projected to grow by 10% annually. This category also includes \$40,000 for unemployment insurance in FY 2015/16.

ü **Medicare** – Annual amounts are calculated at 1.45% of projected salaries.

- **One-Time Grant/ABH Expenditures** – These are one-time only expenditures that vary significantly from year to year and therefore are not forecasted beyond FY 2015/16.
- **Services and Supplies (S&S)** – S&S is held flat unless a new fire station is built, specific increases have been identified by section managers, or one-time grant proceeds have been received.

### **Net General Fund Revenue**

This figure equals the General fund Revenue minus the General Fund Expenditures.

### **Incremental Increase in General Fund 10% Contingency:**

This is the amount needed to add to the General Fund 10% Contingency each year to maintain this category of fund balance at the required policy level of 10% of General Fund expenditures (less one-time expenditures).

### **Equity Payments**

Equity Payments for FY 2015/16 are calculated based on procedures set forth in the Second Amendment to the Joint Powers Agreement which references various reports produced by the County Auditor Controller's office. Equity payments in outer years are projected based on

property tax growth forecasts in RSG's Final 2015 Report. Pursuant to the Second Amendment to the Joint Power Agreement, if there are insufficient funds to make Irvine Equity Payments in FY 2014/15 and/or FY 2015/16, a portion of the Irvine Equity Payment may be deferred for two years. The forecast assumes no deferral of equity payments, however the payments will be accrued and held in an internal Equity Payment holding account pending resolution of the appeal of the validation ruling.

**General Fund Surplus/(Deficit):**

This figure is equal to the Net General Fund Revenue less the incremental increase in the General Fund 10% Contingency. In years when there is a surplus, the amount is transferred to the CIP funds. In years when there is a deficit, the deficit amount must be drawn from the 10% Contingency, and once those are exhausted, from fund balance for CIP.

**Capital Improvement Program/Other Funds Revenue:**

- ***Interest Earnings*** – Assumes an annual return of 1.25% for FY 2015/16, 2.50% for FY 2016/17, 3.50% for FY 2017/18 and 3.75% for FY 2018/19 and FY 2019/20.
- ***State/Federal Reimbursement*** – The forecast assumes no State/Federal reimbursement revenue in the forecast period.
- ***Cash Contracts*** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments.
- ***Developer Contributions*** – The forecast assumes developer contributions will be used to fund a truck for Station 20 in FY 2015/16 and various vehicles for Rancho Mission Viejo Station 67 in FY 2018/19 and FY 2019/20.
- ***Workers' Compensation Transfer*** – These amounts equal the General Fund Workers' Compensation budget.
- ***Operating Transfer In*** – This figure equals the Operating Transfer Out from the General Fund.

**Capital Improvement Program/Other Funds Expenditures:**

Expenditures for each CIP fund are based on the CIP Budget.

- ***Structural Fire Fund Entitlement (Fund 171)*** – The forecast period assumes no Structural Fire Fund Entitlement expenditures.
- ***Self-Insurance Fund (Fund 190)*** – Self-Insurance fund expenditures are based on projected payments in the Rivelle Consulting Services January 2015 Workers' Compensation Actuarial Study.

**Fund Balances:**

- ***Operating Contingency*** – Reflects policy of 10% of the General Fund expenditures each year (less one-time expenditures and equity payments). General Fund deficits (if

applicable) are deducted from this category of fund balance once the Cash Flow fund balance is exhausted.

***Assigned Fund Balances***

- ***Self-Insurance Fund (Fund 190)*** – Funding is set aside for Workers’ Compensation outstanding claims at the 50% confidence level per Board policy. The required amount is based on the actuarial report for Estimated Outstanding Losses as of the last full fiscal year prior to report issuance. The required funding levels are maintained by retaining funds in fund balance that reflect the difference between the workers’ compensation transfer and Fund 190 expenditures.
- ***Capital Improvement Program*** – This fund balance includes funding for future capital replacements and is reduced annually by the cost of capital assets and increased in years when there are Operating Transfers into the CIP.

**ORANGE COUNTY FIRE AUTHORITY**  
**CAPITAL IMPROVEMENT PROGRAM**  
**FIVE-YEAR PLAN PROJECT LISTING**

Item No.	Project Priority		Project	FY 2015/16 w/rebudgets	mid-yr adjm	Internal USE only - Adj'd FY 2015/16
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GENERAL FUND CIP - FUND 12110

1	A	P332	800 MHz Radios	\$125,000		\$125,000
2	A	P330	900 MHz Pagers. Fax. Small Equipment	52,000		52,000
3	A	P334	Station Phones/Alarms/Sound	189,054	39,000	228,054
4	A	P303	Mobile Data Computer (MDC)	351,402	(123,000)	228,402
5	A	P333	VHF Radios	90,600		90,600
6	A	P339	Data Storage/Backup/Recovery	269,178	(125,000)	144,178
7	A	P337	Network Upgrade, Server Consolidation, Security	693,798	(520,239)	173,559
8	B	P331	Personal Computer (PC)/Laptops/Tablets/Printers	225,000		225,000
9	A	P401	RFOTC Phone System Upgrade	140,000		140,000
10	A	P402	Defibrillator Replacements	3,835,000		3,835,000
11	B	P342	GIS Plotters/Printers/Equipment	25,000	(25,000)	-
12	B	P403	Base Station Radios	60,000		60,000
				-		
			RFOTC LED Lights Change-out	-	137,000	137,000
			<b>Total - Fund 12110</b>	<b>\$6,056,032</b>	<b>(\$617,239)</b>	<b>\$5,438,793</b>

FIRE STATIONS & FACILITIES - FUND 123

1	A		RFOTC Emergency Electrical Circuits Extension	\$500,000		\$500,000
2	A		US&R Warehouse Improvements	354,248		354,248
			Station 56 (Ortega Valley) Project close-out exp	-	51,829	51,829
			RFOTC Building B - ECC - installation of observation windows	-		-
			Replacement of Station 10 (Yorba Linda)	-		-
			Replacement of Station 9 (Mission Viejo)	-		-
3	A		Station 20 (Irvine)	-		-
4	A		Station 67 (Rancho Mission Viejo)	-		-
			<b>Total - Fund 123</b>	<b>\$854,248</b>	<b>\$51,829</b>	<b>\$906,077</b>

Project Priority: A=Essential; B=Important; C=Could Defer

Item No.	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	5-Year TOTAL
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1	\$113,650	\$121,000	\$121,000	\$73,000	\$553,650
2	52,000	52,000	52,000	52,000	260,000
3	328,000	328,000	328,000	328,000	1,540,054
4	198,000	460,000	460,000	460,000	1,806,402
5	21,000	27,000	28,500	10,500	177,600
6	120,000	120,000	120,000	120,000	624,178
7	418,239	200,000	158,000	200,000	1,149,798
8	725,000	225,000	225,000	752,000	2,152,000
9	-	-	300,000	-	440,000
10	-	-	-	-	3,835,000
11	50,000.00	0	-	25,000	75,000
12	-	-	-	-	60,000
					0
12	-	-	-	-	137,000
	<b>\$2,025,889</b>	<b>\$1,533,000</b>	<b>\$1,792,500</b>	<b>\$2,020,500</b>	<b>\$12,810,682</b>

1	-	-	-	-	\$500,000
2	-	-	-	-	354,248
					51,829
	110,000	-	-	-	110,000
	7,500,000	-	-	-	7,500,000
		6,500,000			6,500,000
3	Developer Build	-	-	-	0
4	-	Developer Build	-	-	0
	<b>\$7,610,000</b>	<b>6,500,000.00</b>	<b>-</b>	<b>-</b>	<b>\$15,016,077</b>



**ORANGE COUNTY FIRE AUTHORITY**  
**CAPITAL IMPROVEMENT PROGRAM**  
**FIVE-YEAR PLAN PROJECT LISTING**

Item No.	Project Priority		Project	FY 2015/16 w/rebudgets	mid-yr adjm	Internal USE only - Adj'd FY 2015/16
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COMMUNICATIONS & INFORMATION SYSTEMS - FUND 124

1	A	P325	PSS Incident Reporting Application Replacement	\$2,765,801	(\$2,265,801)	\$500,000
2	A	P326	PSS Integrated Fire Prevention (IFP) Replacement - CRR Automation	3,065,351	(2,565,351)	500,000
3	B	P338	RFOTC Audio Video Equipment Upgrade	700,000		700,000
4	A		HR Management/Payroll/Financial Systems Replacement	-		-
5	A		800 MHz Countywide Coordinated Communications System Replacement	-		-
6	B		Fleet Services Fuel Management Tracking System	-		-
			Mobile 911 CMD Center/DR co-location	-		-
			NextGeneration CAD2CAD	-		-
			RFOTC Data Center Suppression System	-		-
			<b>Total - Fund 124</b>	<b>\$6,531,152</b>	<b>(\$4,831,152)</b>	<b>\$1,700,000</b>

FIRE APPARATUS - FUND 133

1	A		Lease Purchase Financing: Principal & Interest	\$2,531,723		\$2,531,723
2	A/B		Emergency Vehicles	6,722,903	(65,825)	6,657,078
3	A		Developer Funded Vehicles	1,576,744		1,576,744
4	B		Support Vehicles	1,074,988	(297,000)	777,988
			<b>Total - Fund 133</b>	<b>\$11,906,358</b>	<b>(\$362,825)</b>	<b>\$11,543,533</b>

			<b>GRAND TOTAL - ALL CIP FUNDS</b>	<b>\$25,347,790</b>	<b>(\$5,759,387)</b>	<b>\$19,588,403</b>
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Project Priority: A=Essential; B=Important; C=Could Defer

Item No.	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	5-Year TOTAL
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1	\$2,415,801	-	-	-	\$2,915,801
2	2,715,351	-	-	-	3,215,351
3	300,000	-	-	-	1,000,000
4	-		5,000,000	500,000	5,500,000
5	6,270,500		3,217,500	-	9,488,000
6		601,394	-	-	601,394
		2,000,000	-	-	2,000,000
	450,000		-	-	450,000
			-	1,000,000	1,000,000
	<b>\$12,151,652</b>	<b>\$2,601,394</b>	<b>\$8,217,500</b>	<b>\$1,500,000</b>	<b>\$26,170,546</b>

1	\$2,531,723	\$2,531,723	\$1,265,862	-	\$8,861,031
2	7,342,480	5,165,950	6,364,136	5,397,758	30,927,402
3	-	-	1,016,577	1,774,683	4,368,004
4	437,528	314,448	136,132	70,106.00	1,736,202
	<b>\$10,311,731</b>	<b>\$8,012,121</b>	<b>\$8,782,707</b>	<b>\$7,242,547</b>	<b>\$45,892,639</b>
	<b>\$32,099,272</b>	<b>\$18,646,515</b>	<b>\$18,792,707</b>	<b>\$10,763,047</b>	<b>\$99,889,944</b>



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4G**  
**Discussion Calendar**

**State Lobbying Service**  
**Amendment to Agreement**

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**Contact(s) for Further Information**

Sandy Cooney, Director	<a href="mailto:sandycooney@ocfa.org">sandycooney@ocfa.org</a>	714.573.6801
Communications and Public Affairs Department		
Jay Barkman, Legislative Analyst	<a href="mailto:jaybarkman@ocfa.org">jaybarkman@ocfa.org</a>	714.573.6048

**Summary**

This agenda item is submitted to authorize an increase to the current blanket order with OCFA's state lobbyists Nielsen Merksamer Parrinello Gross & Leoni, LLP.

**Prior Board/Committee Action**

The current lobbying contract was approved by the Executive Committee on February 28, 2013, for a five-year term with a current monthly retainer amount of \$5,500. The contract was amended by the Executive Committee on May 21, 2015, to increase the contract by an additional \$5,000 per month effective June 1, 2015, through September 1, 2015, to provide additional State legislative advocacy services specific to the defeat of Assembly Bill 1217 (Daly).

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve and authorize the Fire Chief to execute the second amendment to the agreement with Nielsen Merksamer Parrinello Gross & Leoni, LLP, for a contract increase of \$80,000 for additional assistance in opposition to AB 1217 or any other legislation, if needed, which forces state-mandated changes to the OCFA board composition or operation lobbying efforts.
2. Approve and authorize the Board Chair to approve and release the use of these additional funds, if needed.
3. Approve a budget adjustment in the FY 2015/16 General Fund (121) budget increasing expenditures by \$80,000 to support this contract.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Approval of this item could increase expenditures in the General Fund FY 2015/16 budget by \$80,000. At the end of the fiscal year, the unused portion of the appropriation will be rebudgeted to the following fiscal year.

### **Background**

In keeping with the Board's direction to oppose AB 1217, staff is requesting the authority for an additional \$10,000 per month for the period of February 1, 2016, through September 30, 2016, not to exceed \$80,000. Release of these funds would be contingent upon the Board Chair's approval, and requested only if AB 1217 progresses or other legislation, which forces state-mandated changes to the OCFA Board composition or operation is introduced.

The OCFA Board voted overwhelmingly in 2015 to oppose AB 1217 based on its direct threat to our existing Joint Powers Agreement. The bill would strip city seats without any justification and is an unnecessary state intrusion into the responsible local governance of the OCFA. As discussed under prior committee action the Executive Committee approved on May 21, 2015, an increase to the contract for four months. With the increased lobbying effort the OCFA was able to have the bill held in the Senate Governance and Finance Committee.

This item is being submitted to allow staff, with approval from the Board Chair, to quickly react and respond if any efforts are attempted in 2016 to force state-mandated changes to OCFA.

### **Attachment(s)**

1. Nielsen Merksamer Proposal Letter
2. Propose Amendment Number Two to Professional Service Agreement

**NIELSEN MERKSAMER**

NIELSEN MERKSAMER PARRINELLO GROSS & LEONI

POLITICAL &  
GOVERNMENT

LAW  
ADVOCACY  
LITIGATION

1415 L Street, Suite 1200  
Sacramento, California 95814

t: 916.446.6752  
f: 916.446.6106

December 28, 2015

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

Dear Jay:

Pursuant to discussions regarding the efforts of the OCFA to defeat Assembly Bill 1217 (Daly) we are proposing the following charge to our current agreement with OCFA. In order to both manage the workload that may be entailed in the effort to defeat the bill and to engage additional assistance if needed, we ask that the OCFA board authorize up to an additional \$10,000 per month for the period of February 1, 2016-September 30, 2016.

The amount would be used for the management of workload and engagement of assistance with the lobbying effort. The actual amount of the monthly invoice will be agreed upon with OCFA prior to engagement. The final amount for the monthly increase will be terminable with 30 days' notice.

Please let me know if you need anything further.

Sincerely,

  
James S. Gross

JSG/vb

**ORANGE COUNTY FIRE AUTHORITY  
AMENDMENT NUMBER TWO  
TO PROFESSIONAL SERVICES AGREEMENT**

THIS AMENDMENT NUMBER TWO TO PROFESSIONAL SERVICES ("Amendment") is made and entered into this 28<sup>th</sup> day of January, 2016, by and between the Orange County Fire Authority, a public agency, hereinafter referred to as "OCFA", and Nielsen, Merksamer, Parrinello, Gross & Leoni LLP, a Limited Liability Partnership Law Firm, hereinafter referred to as "Firm".

**RECITALS**

WHEREAS, OCFA and the Firm entered into that certain Professional Services Agreement on the 28<sup>th</sup> day of February, 2013, for State legislative advocacy services ("Agreement"), which is incorporated herein by this reference; and

WHEREAS, OCFA and the Firm entered into that certain Amendment Number One to the Agreement on the 21<sup>st</sup> day of May, 2015, to include compensation up to an additional \$5,000 per month for the management of workload and engagement assistance need for additional State legislative advocacy services specific to the defeat of Assembly Bill 1217 (Daly);

WHEREAS, OCFA is requesting additional State legislative advocacy services specific to the defeat of Assembly Bill 1217 (Daly) for the period of February 1, 2016 through September 30, 2016; and

WHEREAS, additional resources may be required to manage the additional workload for a specific time frame to accommodate this request.

NOW, THEREFORE, OCFA and the Firm mutually agree as follows:

1. Section 3.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

**3.1 Compensation of Firm.**

For the services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, in accordance with the terms set forth in Exhibit "A," in an amount not to exceed \$5,500 per month effective January 1, 2015 through December 31, 2017.

During the period of February 1, 2016 through September 30, 2016 the firm shall be compensated up to an additional \$10,000 per month for the management of workload and engagement assistance as needed for the specific lobbying effort in accordance with the terms set forth in the letter dated December 28, 2015, attached hereto as Exhibit "B," and incorporated herein by reference.

Except as modified above, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

2. Exhibit "B" attached hereto is hereby added to the Agreement.

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

**"OCFA"**

**ORANGE COUNTY FIRE AUTHORITY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jeff Bowman, Fire Chief

APPROVED AS TO FORM.

ATTEST:

By: \_\_\_\_\_  
DAVID E. KENDIG  
GENERAL COUNSEL

\_\_\_\_\_  
Sherry A.F. Wentz  
Clerk of the Board

Date: \_\_\_\_\_

**"FIRM"**

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

Date: \_\_\_\_\_

By: \_\_\_\_\_  
James C. Gross, Partner

## Exhibit B

Letter dated December 28, 2015 from James S. Gross re effort to defeat Assembly Bill 1217.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**January 13, 2016**

**Agenda Item No. 4H**  
**Discussion Calendar**

**2016 Grant Priorities**

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**Contact(s) for Further Information**

Sandy Cooney, Director [sandycooney@ocfa.org](mailto:sandycooney@ocfa.org) 714.573.6801  
Communications and Public Affairs Department

Jay Barkman, Legislative Analyst [jaybarkman@ocfa.org](mailto:jaybarkman@ocfa.org) 714.573.6048

**Summary**

This annual agenda item is submitted to the Committee for adoption of OCFA's annual grant priorities.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors approve the 2016 Grant Priorities.

**Impact to Cities/County**

Service delivery in the cities of Buena Park, San Clemente, and Tustin could be positively impacted if OCFA receives the Federal Emergency Management Agency staffing grant discussed in the attached document. Each of these cities has been briefed on the potential impacts.

**Fiscal Impact**

Not Applicable.

**Background**

See attached document for discussion of specific grants.

**Attachment(s)**

OCFA's 2016 Grant Priorities



## Orange County Fire Authority

# Grant Priorities

January 13, 2016

Sandy Cooney  
Director of  
Communications and  
Public Affairs  
1 Fire Authority Road  
Irvine, CA 92602  
(714) 573-6801

### Assistance to Firefighters Grant (AFG)

**Application Closes:** January 15, 2016

This Federal Emergency Management Agency (FEMA) grant funds the purchase of firefighting vehicles and safety equipment. Applications for safety equipment are accepted for tools, personal protective equipment (PPE), training, wellness and fitness, and station modifications.

### **OCFA 2016 AFG Application**

Firefighter Turnout Washers: The OCFA will request grant funding to purchase additional washers/extractors to clean PPE (turnouts). Our goal is to reduce the exposure of personnel to pollutants and improve firefighter safety by reducing future risks. The washers/extractors will be placed in locations throughout OCFA, such as battalion headquarters, to allow crews to clean turnouts more frequently.

### **Status of 2015 AFG Award**

Extrication Gloves: In May of 2015, the OCFA received a grant for \$43,022 to purchase approximately 1,000 extrication gloves for safety personnel. The OCFA purchasing section has completed a request for proposals and received four bids. Battalion Chief Ken Dossey is leading a “wear test” of the gloves provided to determine final bid selection.

### California Office of Traffic Safety (OTS)

**Application Closes:** January 30, 2016

This grant provides federal funds that OTS administers for various purposes including Emergency Medical Services.

### **OCFA 2016 OTS Application**

Traffic Collisions-Extrication Tools: The OCFA is requesting funds to replace power tools used by firefighters to free victims trapped during traffic collisions. Current tools are becoming outdated for use on new cars with improved safety features and reinforced construction. New power saws, hydraulic sheers, and other tools will reduce extrication times that delay patient treatment.

### State Responsibility Area Fire Prevention Fund

**Application Closes:** January 7, 2016

The state enacted legislation in 2011 to levy a fee on property owners within the State Responsibility Area (SRA). As of July 1, 2014 the fee has been set at \$152.33 per residence. The 2015 state budget appropriated \$5 million of SRA fee money for grants to fund fuel (vegetation) hazard reduction, fire prevention education and training, and fire prevention planning.

## **OCFA 2016 SRA Application**

SRA Fuel Reduction: Applications have been submitted for Coto De Caza, Emerald Bay, and the unincorporated canyon communities located in the eastern area of the county. The community associations of Coto De Caza and Emerald Bay will lead the management of their respective projects to remove hazardous fuel from around homes in their communities. The OCFA will lead the proposed project clearing fuels adjacent to emergency roads in the eastern canyon communities.

## **Status of 2015 Award**

Countywide Wildfire Protection Plan (CWPP): Based on a 2015 grant award from CAL FIRE, the OCFA is developing a CWPP. The contract to produce the plan has been issued and work is under way. The CWPP will identify specific communities in need of improved defensible space and vegetation removal projects. The plan will be completed in 2016 and OCFA will then prioritize future grant applications for fire prevention and fuels reduction activities.

## **Staffing for Adequate Fire and Emergency Response (SAFER)**

**Application Opens:**  
Estimated February 2016

This FEMA grant funds the hiring of “front-line” firefighters. The OCFA is eligible to request funding to hire new firefighter positions, including adding a fourth firefighter on engines to enhance service delivery, improve efficiency, and provide for optimal firefighter safety. In the past, this grant has had a zero local cost share requirement and has provided funding for two years. There has also been no requirement to maintain positions after the two year grant period ends.

## **OCFA 2016 SAFER Application**

Firefighters Staffing: The OCFA is considering a request to increase staffing on units in several of our cities. Buena Park, San Clemente, and Tustin each have an engine currently staffed with three firefighters. Adding a fourth firefighter on these units will improve service delivery and firefighter safety.

## **2016 Outlook**

## **FEMA Fire Prevention and Safety Grant**

**Application Opens:** Spring 2016

Activities under this grant fall into categories of general education/awareness, arson investigation, and fire code education/awareness. Projects under consideration include supporting OCFA’s ongoing smoke alarm installations and wildland safety efforts.

## **California Fire Safe Council Grant**

**Application Opens:** Spring 2016

This grant supports activities in the area of creating defensible space, vegetation removal, community education, and planning. Eligible applicants include fire departments and community groups, such as local fire safe councils.