



NOTICE AND CALL OF A SPECIAL MEETING OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS

A Special Meeting of the
Orange County Fire Authority Board of Directors
has been scheduled for January 26, 2017
at 5:00 p.m.

The meeting will be held at:
Orange County Fire Authority
Regional Fire Operations & Training Center
Board Room
1 Fire Authority Road
Irvine, CA

The business to be transacted at the meeting will be
as shown on the attached Agenda.

Opportunity will be provided for members of the public to address the
Orange County Fire Authority Board of Directors
regarding any item of business as described on the Agenda.

A handwritten signature in blue ink, reading "Gene Hernandez", is written over a horizontal line.

Gene Hernandez, Chair



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS SPECIAL MEETING
Thursday, January 26, 2017
5:00 P.M.

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

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

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



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

CALL TO ORDER

INVOCATION by OCFA Senior Chaplain Dave Keehn

PLEDGE OF ALLEGIANCE by Director Shawver

ROLL CALL

ADMINISTRATION OF OATH OF OFFICE FOR NEW MEMBERS

1. PRESENTATIONS

No items.

PUBLIC COMMENTS

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

Any member of the public may address the Board on items within the Board'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 Board as a whole, and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

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

CLOSED SESSION**CS1. CONFERENCE WITH LABOR NEGOTIATOR**

Agency Designated Representative: Peter Brown, Liebert Cassidy Whitmore
Employee Organizations: Orange County Professional Firefighters Association,
Local 3631

Authority: Government Code Section 54957.6

CS. CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(d)(2) – Significant Exposure to
Litigation (6 cases)

CS. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: General Counsel

Authority: Government Code Section 54957(b)(1)

CS. THREAT TO PUBLIC SERVICES OR FACILITIES

Authority: Government Code Section 54957(a)

Consultation with Irvine Police Department Sergeant Justin Russell

CLOSED SESSION REPORT**REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR****REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR****REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR****REPORT FROM THE FIRE CHIEF**

- FY 2016/17 Domain Objectives Mid-year Update
- Use of Contingency Funds (Schroeder)
- RFOTC AV Upgrade Use (Schroeder)
- Fire Deployment Demonstration Video (Young)

2. MINUTES**A. Minutes from the November 17, 2016, Regular Board of Directors Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR**A. FY 2016/17 Mid-Year Financial Report**

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

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Actions:

1. Approve a budget adjustment in the General Fund (Fund 121) increasing expenditures to allocate \$9,814,477 of available unencumbered funds identified in the FY 2015/16 financial audit to OCFA's unfunded pension liability, in accordance with the OCFA's Expedited Pension Payment Plan.
2. Direct staff to return to the Board of Directors in March 2017 for approval of all additional budget adjustments discussed herein for the FY 2016/17 budget.

B. Annual Grant Priorities for 2017

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Action:

Approve OCFA's Annual Grant Priorities for 2017.

C. Award of Public Works Contract for Tenant Improvements – Urban Search and Rescue Warehouse

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

Recommended Actions:

1. Approve the plans and specifications for the tenant improvements at the US&R Warehouse.
2. Approve and award the public works contract to Hoffman Management and Construction Corporation in the amount of \$616,258.
3. Authorize a 10% (\$61,625) allowance for contingency.

D. Secured Fire Protection Agreement for South Cove (Dana Point)

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

Recommended Actions:

1. Approve and authorize the Fire Chief or his designee to execute a Secured Fire Protection Agreement with 27 DBV Owner, LLC, as related to South Cove (Doheny Village), Dana Point.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreement in the Official Records of the County of Orange, and furnish the developer a copy of the conformed documents within fifteen days of recordation.

E. Initial Budget Adjustment to Replace Losses Incurred at the Fire Station 61 Fire

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

Recommended Actions:

1. Approve an initial budget adjustment in the amount of \$3 million to be allocated between the General and the Capital Improvement Program funds at staff's discretion to be used for the purposes of replacing vehicles and equipment lost at Fire Station 61.
2. Direct staff to return to include any additional budget adjustments required to complete the replacement of losses in the March 2017 Mid-Year Budget Adjustment.

END OF CONSENT CALENDAR**4. PUBLIC HEARING(S)**

No items.

5. DISCUSSION CALENDAR**A. Board Member Retirement Savings Plan Options**

Presented by: Brigitte Gibb, Director/Human Resources Division

Human Resources Committee Recommendation: *TOOK NO ACTION*

Recommended Actions:

Direct staff to enroll the Board Members into a 457 Omnibus Budget Reconciliation Act (OBRA) mandatory retirement savings plan.

B. Service Delivery Enhancements – Phase Three

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

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Actions:

1. Direct staff to include funding for the Phase Three enhancements in the Mid-Year Budget Adjustments that will be submitted to the Board in March, at a partial-year cost of \$684,764.
2. Authorize staff to add 12 firefighter positions to the Master Position Control (four post-positions, with three employees per post-position to cover three shifts for 24/7 coverage).

ELECTION OF CHAIR/VICE CHAIR**BOARD MEMBER COMMENTS**

ADJOURNMENT - The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, March 23, 2017, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 19th day of January 2017.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting	Wednesday, February 8, 2017, 12 noon
Claims Settlement Committee Meeting	Thursday, February 23, 2017, 5:00 p.m.
Executive Committee Meeting	Thursday, February 23, 2017, 5:30 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, November 17, 2016
6:00 P.M.**

**Regional Fire Operations and Training Center Board Room
1 Fire Authority Road
Irvine, CA 92602-0125**

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on November 17, 2016, at 6:00 p.m. by Chair Hernandez.

INVOCATION

Chaplain Brett Peterson offered the invocation.

PLEDGE OF ALLEGIANCE

Director Gamble led the Assembly in the Pledge of Allegiance to the Flag.

ROLL CALL

Robert Baker, San Clemente
Laurie Davies, Laguna Niguel
Craig Green, Placentia
Gene Hernandez, Yorba Linda
Jeffrey Lalloway, Irvine
John Perry, San Juan Capistrano
Ed Sachs, Mission Viejo
Don Sedgwick, Laguna Hills
David Sloan, Seal Beach
Michele Steggell, La Palma
Tri Ta, Westminster

Lisa Bartlett, County of Orange
Carol Gamble, Rancho Santa Margarita
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Joseph Muller, Dana Point
Dwight Robinson, Lake Forest
Vicente Sarmiento, Santa Ana
David Shawver, Stanton
Todd Spitzer, County of Orange
Elizabeth Swift, Buena Park

Absent: Rick Barnett, Villa Park
Al Murray, Tustin

Shelley Hasselbrink, Los Alamitos
Phillip Tsunoda, Aliso Viejo

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Zeller
Assistant Chief Mike Schroeder
Clerk of the Authority Sherry Wentz

Assistant Chief Brian Young
General Counsel David Kendig
Human Resources Director Brigitte Gibb
Communications Director Sandy Cooney

PRESENTATIONS

1. Requests for Commendations and Proclamations (F: 11.09)

On motion of Director Davies and second by Director Johnson, the Board of Directors voted unanimously by those present to approve the request as submitted and make presentations to those present.

Chair Hernandez and Fire Chief Jeff Bowman recognized and made presentations to outgoing Directors Bob Baker, John Perry, and David Sloan. Director Rick Barnett was recognized, but was not present.

Director Sarmiento arrived at this point (6:06 p.m.).

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 11.12)

Budget and Finance Committee Chair Sachs reported at its November 9, 2016, meeting, the Committee voted unanimously to send the Monthly Investment Reports to the Executive Committee to receive and file the reports, and voted unanimously to send the Annual Statement of Investment Policy and Investment Authorization; 2016 Long Term Liability Study & Expedited Pension Payment Plan; Audited Financial Reports for the Fiscal Year Ended June 30, 2016; and the Community Risk Reduction Fee Development to the Board of Directors for approval.

REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR (F: 11.12)

Chair Hernandez reported the Claims Settlement Committee considered Workers' Compensation Claims for claimants Gregory Peterson and Kathleen Highland; there were no reportable actions.

REPORT FROM THE FIRE CHIEF (F: 11.14)

Fire Chief Jeff Bowman's report included the following: Assistant Brian Young introduced newly appointed Human Resources Director Brigitte Gibb; Clerk of the Authority Sherry Wentz provided an election update and impact on the OCFA's Board of Directors; Assistant Chief Mike Schroeder reviewed recent emergency medical call processing times; and Communications Director Sandy Cooney reported on the installation of over 1,166 free smoke alarms, an OCFA record, in the city of Santa Ana. Fire Chief Bowman reported that he had completed the Board's directive to have him review the video recording of the October 27, 2016, Board meeting, as he could not be in attendance at the meeting.

PUBLIC COMMENTS (F: 11.11)

Stephen Wontrobski, Mission Viejo resident, addressed five-year procurements, pension liability, and union contracts.

2. MINUTES

A. Minutes from the October 27, 2016, Regular Board of Directors Meeting (F: 11.06)

On motion of Director Johnson and second by Director Robinson, the Board of Directors voted unanimously by those present to approve the October 27, 2016, Board of Directors meeting Minutes as submitted. Directors Muller and Ta were recorded as abstentions due to their absence from the meeting.

3. CONSENT CALENDAR (Agenda Item No. 3A was pulled from the Consent Calendar by a member of the public.)

A. Annual Statement of Investment Policy and Investment Authorization (F: 11.10D)

Stephen Wontrobski, Mission Viejo resident, pulled this item from the Consent Calendar to note his objections to Section 8 of the Policy and use of Wells Fargo and UBS as investment advisors.

Director Lalloway recused himself as he is an employee of the County of Orange.

Discussion ensued.

On motion of Director Bartlett and second by Director Spitzer, the Board of Directors voted unanimously by those present to:

1. Direct staff to provide a due diligence review the Orange County Investment pool and provide comments upon its review to the Budget and Finance Committee, and the Board of Directors.
2. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2017.
3. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2017.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

5. DISCUSSION CALENDAR

A. Approval of Memorandum of Understanding Orange County Fire Authority Managers' Association (F: 17.04F)

Assistant Chief Lori Zeller presented the report.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

On motion of Vice Chair Swift and second by Director Sloan, the Board of Directors voted unanimously by those present to approve the inaugural Memorandum of Understanding between the Orange County Fire Authority and the Orange County Fire Authority Managers' Association for the term of June 25, 2015, to June 24, 2018, and approve the associated amendments to the Personnel & Salary Resolution.

B. 2016 Long Term Liability Study & Expedited Pension Payment Plan (F: 17.06A)

Assistant Chief Lori Zeller presented the report of the 2016 Long Term Liability Study & Expedited Pension Payment Plan and introduced Tricia Jakubiak who provided a PowerPoint presentation of the OCFA's 2016 Long Term Liability Study.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

Discussion ensued.

On motion of Director Sachs and second by Director Robinson, the Board of Directors voted by those present to:

1. Direct staff to continue the Expedited Pension Payment Plan as indicated in the Updated Snowball Strategy, with a modification to alter the funding target from 100% to 85%, and redirect expedited payment dollars to Retiree Medical after achieving the 85% target.
2. Direct staff to return to the Board of Directors in January with the mid-year financial review, to consider allocation of the \$9.8 million of available unencumbered funds identified in the FY 2015/16 financial audit to OCFA's unfunded pension liability.
3. Direct staff to continue seeking cost-saving options related to Workers' Compensation.
4. Direct staff to obtain an actuarial calculation (for the 2017 Long Term Liability Study) of interest savings achieved by expediting payment of OCFA's pension liability.

Directors Davies, Gamble, Lalloway, Robinson, Sloan, and Spitzer voted in opposition.

C. Audited Financial Reports for the Fiscal Year Ended June 30, 2016 (F: 15.06)

Assistant Chief Lori Zeller presented the Audited Financial Reports for the Fiscal Year Ended June 30, 2016.

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

On motion of Director Hatch and second by Director Johnson, the Board of Directors voted unanimously to:

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.

D. Approve Contingency Budget for Audio Video Systems Upgrade Project (F: 19.07B11)

Assistant Chief Mike Schroeder presented the revised Contingency Budget for Audio Video Systems Upgrade Project.

On motion of Director Spitzer and second by Director Johnson, the Board of Directors voted unanimously by those present to support the recommended action, as amended, to:

1. Approve and authorize the Purchasing Manager to add a 10% contingency to the Western Audio Visual Purchase Order in the amount of \$51,229 under the condition that these additional funds may only be utilized in the event of an emergent situation that must be addressed immediately and cannot wait for approval by the Board of Directors.
2. Approve and authorize the Fire Chief to execute a contract amendment to amend Section 2 of the Construction Contract.

E. Request by Director Barnett: Pension Termination Liability Estimate, Pension Liability Data Extract, Pension Reform Committee, & Pre-Retirement Workers' Compensation Data (F: 11.17A)

Stephen Wontrobski, Mission Viejo resident, spoke in opposition.

Chair Hernandez provided an oral status report on the Pension Reform Ad Hoc Committee's first meeting.

On motion of Director Hatch and second by Director Davies, the Board of Directors voted unanimously by those present to:

1. Reaffirm Board's prior September 22, 2016, direction to forward the topic to the Pension Reform Ad Hoc Committee for its review.
2. Receive oral status report from the Pension Reform Ad Hoc Committee Chair.

BOARD MEMBER COMMENTS (F: 11:13)

Director Sloan thanked his fellow Board Members and OCFA staff for their service while on the Board of Directors.

Director Hatch complemented OCFA staff on the quality of the staff reports and in particular the annual report.

Director Shawver reported the residents of the city of Stanton defeated Measure QQ in the November election, which would have repealed a voter enacted funding for 9-1-1 public safety and essential services protection, thanked all departing Board Members (Directors Bob Baker, John Perry, Dave Sloan, and Rick Barnett), and wished everyone a Happy Thanksgiving.

Director Spitzer thanked all departing Board Members for their service, requested a review of travel expenses by the contract labor negotiator, noted some concern on recent incident responses of air operations service by both the OCFA and the OC Sheriff's Department, and requested a briefing memo by staff on this subject.

Director Sachs thanked departing Board Members noting he enjoyed working with them, and thanked Assistant Chief Lori Zeller and finance staff for providing a thorough response to his questions relative to the Budget and Finance Committee.

Vice Chair Swift thanked Fire Chief Jeff Bowman, Assistant Chief Brian Young, Division 7 Administrative Captain Alan Wilkes, and Directors Johnson and Shawver for attending Buena Park's Mayor's Prayer Breakfast.

Director Gamble wished a farewell to the departing Board Members and suggested implementing an annual performance review for General Counsel as do many other agencies.

Director Bartlett thanked all outgoing Board Members, noted on November 29 she would deliver a State of the County address, and announced an upcoming Board of Supervisors Open House.

Director Johnson thanked the outgoing Directors for their service, and thanked OCFA staff who attended the city of Cypress' recent Prayer Breakfast.

Director Perry commented to the professionalism of staff and thanked everyone who serves on the Board.

Director Green wished everyone a Happy Thanksgiving, Merry Christmas, and Happy New Year, and noted he and his wife will be serving meals to the military in Placentia.

Director Muller thanked departing Board Members for their service.

Director Sedgwick thanked the departing Directors for their contribution to the Board, thanked Fire Chief Bowman and expressed appreciation for the Chief's follow-up memo to the October Board meeting, and thanked the firefighters for their service noting he is looking forward to an upcoming ride-along.

Director Baker thanked Chair Hernandez, Vice Chair Swift, past Chair Murray, and Fire Chief Bowman for their leadership, and all OCFA employees for their service.

Chair Hernandez noted those Directors leaving will be missed, his appreciation for the Board and for the firefighters, and shared that he'll be working with the Rotary Club for the Rose Parade.

CLOSED SESSION (F: 11.15)

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Lori Zeller, Assistant Chief

Employee Organizations: Orange County Fire Authority Managers Association

Authority: Government Code Section 54957.6

Chair Hernandez asked General Counsel if it was necessary to adjourn to Closed Session.

General Counsel David Kendig reported there was no need for Closed Session with the Approval of Memorandum of Understanding Orange County Fire Authority Managers' Association, Discussion Agenda Item No. 5A.

CLOSED SESSION REPORT (F: 11.15)

As Closed Session did not convene, there is no report.

ADJOURNMENT – Chair Hernandez adjourned the meeting at 8:23 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for Thursday, January 26, 2017, at 6:00 p.m.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 3A
Consent Calendar

FY 2016/17 Mid-Year Financial Report

Contact(s) for Further Information

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

Summary

This item is submitted to provide a mid-year financial update on the FY 2016/17 budget in accordance with the OCFA's Fiscal Health Plan.

Prior Board/Committee Action

Budget and Finance Committee Recommendation: *APPROVE*

At its regular January 11, 2017, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

1. Approve a budget adjustment in the General Fund (Fund 121) increasing expenditures to allocate \$9,814,477 of available unencumbered funds identified in the FY 2015/16 financial audit to OCFA's unfunded pension liability, in accordance with the OCFA's Expedited Pension Payment Plan.
2. Direct staff to return to the Board of Directors in March 2017 for approval of all additional budget adjustments discussed herein for the FY 2016/17 budget.

Impact to Cities/County

Annual increases for cash contract cities are estimated at 4.5% for FY 2017/18 and 4.5% for FY 2018/19 (excluding catch-up provision) based on the Five-Year Financial Forecast.

Fiscal Impact

Financial impact has been presented in the attached report.

Background

The OCFA's Fiscal Health Plan 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 2017/18 budget issues, to the extent they are known at this time.

FY 2016/17 Budget Review

Significant changes have occurred since the budget was adopted in May 2016, including increases to budgeted beginning fund balance, increase in property taxes, increases in both revenue and expenditures related to assistance-by-hire emergency responses, increases in expenditures related to newly approved labor agreements, 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 2015/16 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, 2016 identified approximately \$9.8 million in unencumbered fund balance.

With the invalidation of the Second Amendment to the JPA, the former language relating to Equity in the Amended JPA and the First Amendment became effective again. Specifically, the operative language states:

Equity. Annually after the conclusion of each fiscal year and consideration of the audited financial statements for that year, and after consideration of the Authority's financial needs, the Board of Directors in its sole discretion shall determine whether sufficient unencumbered funds from that fiscal year are available for additional services or resources to Structural Fire Fund (SFF) members.

In years in which the Board decides to allocate unencumbered funds to SFF members pursuant to this JPA language, the JPA further describes the calculation for determining which SFF members shall be deemed eligible to receive additional services or resources from the allocated funds.

Given that on November 17, 2016, the Board reaffirmed its commitment to allocate unencumbered funds to the OCFA's Expedited Pension Payment Plan until achieving an 85% funding level, staff is recommending that this year's \$9.8 million unencumbered fund balance be allocated to OCFA's pension liability. With support of this recommendation, there would be no allocation this year to SFF members per the JPA language cited above. Additionally, there still remains an unexpended fund balance in the Structural Fire Fund Entitlement Fund (SFFE) from the 2012 distribution, which has not yet been used by qualifying members.

Attachment(s)

Mid-year Financial Report

Exhibit 1 – 2016 Trend Analysis -- Forecast to Actual Comparison

Exhibit 2 – Updated Five-Year Financial Forecast (Summary & Detail)

Exhibit 3 – Five-Year Financial Forecast Assumptions

ORANGE COUNTY FIRE AUTHORITY

Mid-Year Financial Report

January 2017

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 below.

ECONOMIC OUTLOOK

Property tax is OCFA's largest source of revenue; therefore, this section focuses on economic factors impacting property values. The December 2016 Chapman Economic and Business Review forecast estimates a 5.9% median home price increase in Orange County in 2017. Although housing appreciation generally leads to increased property tax, it also makes housing less affordable. Chapman estimates "...that by year-end 2017, median family income in the county will be only 60 percent of that necessary to purchase a median-priced home."

Builders appear to be responding to the unaffordability of housing by building rental housing. Chapman reports "...strength in apartment construction will buoy residential permit valuation...residential permit valuation is projected to increase 4.3 percent and surpass \$3 billion for the first time in the county's history."

CURRENT FISCAL YEAR FINANCES

The following are estimated changes to the General Fund budget that are needed since the adoption of the FY 2016/17 budget in May 2016. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$10.0 million and an estimated total expenditure increase of \$24.3 million, including the one-time proposed use of \$9.8 million unencumbered fund balance for the expedited pension payment plan.

FY 2016/17 Potential Revenue Adjustments - \$10.0 million

Property Taxes: Based on secured tax billings provided by the Auditor/Controller, preliminary projections indicate an approximate \$2.9 million increase over budget. **\$2,861,592**

Assistance by Hire (ABH): ABH is the term used when OCFA responds to requests for assistance to incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$7.8 million greater than budget due to various out-of-county responses. Staff will be monitoring this source of revenue for additional reimbursements. An expenditure adjustment is also proposed to the overtime/backfill category to cover the costs associated with providing the ABH services. **\$7,805,239**

Miscellaneous: This category of revenue adjustments includes the receipt of revenues from bankruptcy proceeds, and adjusted to estimated interest earned. **(\$589,823)**

FY 2016/17 Potential Expenditure Adjustments - \$24.3 million

Accelerated Pension Pay-down Plan: The FY 2016/17 annual audit identified approximately \$9.8 million of unencumbered fund balance available at the end of the fiscal year. On November 17, 2016 the Board provided preliminary approval for payment of this balance to OCERS to continue the Expedited Pension Payment Plan. **\$9,814,477**

Assistance by Hire/Emergency Incident Costs: As mentioned under Revenue for Assistance by Hire, an adjustment of approximately \$7.3 million is needed for out-of-county responses, primarily in the overtime/backfill category, but also for response-related supplies. **\$7,332,012**

Academy and Training Costs: An additional career firefighter academy was necessary to fill vacancies and has been added to the schedule for this fiscal year. Costs for the academy include overtime for the cadre, pre-employment screening, and supplies for use during the academy and service center costs for turnouts, etc. Included in this category are overtime costs for an upcoming dispatcher academy and Flight safety training for Air Ops. **\$1,923,866**

Personnel: On June 23, and September 1, 2016, the Board approved new MOUs with the Chief Officers Association, and the Orange County Professional Firefighters Association, respectively. These included increases to salaries, which were partially offset by increased employee retirement contributions. Also included in this expenditure category is a correction to the Assistant Fire Training Officer budget and a change to full-time status for an existing part-time Multi-media position. The net impact is an approximately \$5 million ongoing increase to expenditures. **\$5,028,859**

Miscellaneous: This expenditure category includes miscellaneous increases to the budget for Air Ops maintenance, sand, Information Technology licenses, supplies for OC All Hazards Incident Management team, HazMat Multi-Rae Program, Employee relations budget, Zoll monitors extended warranty, and a reduction to the TRAN debt service costs as a TRAN was not issued this fiscal year. **\$239,579**

General Fund and CIP funds – Beginning Fund Balance and Budget Transfer Adjustment

- **Budgeted beginning fund balances:** As part of the annual mid-year adjustment, budgeted beginning fund balances will be adjusted in accordance with the FY 2015/16 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 beginning fund balance adjustments for Capital Improvement Funds (CIP) largely result from the timing for completion of projects. Funds for projects that did not get completed were carried-over to FY 2016/17.
- **Budget Transfer – Funds 12110 and Fund 123:** To ensure conformance with generally accepted accounting principles, a transfer from Fund 123 – Fire Stations and Facilities, to Fund 12110 – General Fund CIP, in the amount of \$50,000 is necessary to ensure the budget and associated expenditures with the Emerald Bay Station Improvements are properly categorized. These

expenditures were initially budgeted as a Capital Project during Budget development; however, in reviewing the scope with General Accounting staff, the improvements do not fit the criteria for a Capital Project. Therefore, the Project and its associated budget require a transfer to Fund 12110, which is the Fund used for one-time projects that are capital in nature, but don't meet the technical accounting requirement for a Capital Project. Additionally, the revenue budget in Fund 123 will be adjusted to include the receipt of bankruptcy loss recovery funds in the amount of \$22,165.

- **Fund 124 – Communications and Information Systems:** The revenue budget for this fund will be adjusted to reflect receipt of \$37,420 in bankruptcy loss recovery funds.
- **Fund 133 – Fire Apparatus:** Bankruptcy proceeds in the approximate amount of \$22,963 will be recognized in this fund. Additionally, expenditures will be increased by \$1,681,302 to accommodate the early needed replacement of Truck 59, and the costs for additional vehicles for the Administrative Captain positions that were recently restored from funded status.
- **Fund 171 – Structural Fire Fund Entitlement Fund:** The Amended JPA provides for annual review of audited financial statements and Board consideration of whether to allocate a portion of unencumbered fund balance to additional services for eligible structural fire fund members. This review was last performed in January 2012, resulting in a fund balance in the Structural Fire Fund Entitlement Fund (SFFEF), which has not yet been expended by qualifying members in entirety.

Annually, each eligible Structural Fire Fund member city is provided an accounting of the funds remaining available to them from this Fund. During FY 2016/17, the following member cities have the following funds remaining to be used for additional services:

Irvine:	\$530,971.11
Aliso Viejo:	\$ 280.59
Laguna Niguel:	\$ 53,211.97

- **Fund 190 – Self Insurance:** The expenditure budget in Fund 190 is established at the amount reported by an actuarial report conducted twice a year. In the latest report, the actuary has determined that the expenditure budget in Fund 190 can be adjusted downward by \$189,300.

FUTURE FISCAL YEAR FINANCES

Significant factors that are anticipated to influence the FY 2017/18 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 to take advantage of an approximately 4.5% discount. This discount has declined in recent years, from 7.25% to 5.8% and now to 4.5%. Although the discount has declined, it still amounts to savings of millions of dollars and is worth taking advantage of.
- **Property Taxes** - Since property tax is the largest source of income for the General Fund at about 64% we have again contracted with Rosenow, Spevacek Group, Inc. (RSG) to update our property tax projections. Updated preliminary information for our FY 2017/18 budget will not be available until February 2017; therefore, in the interim we are continuing to use RSG's prior projection for FYs 2017/18 through 2020/21 of the Five-Year Financial Forecast.

- **Retirement Rates** - The Orange County Employees Retirement System (OCERS) Board has adopted retirement rates for FY 2017/18. Compared to rates used in the Five-Year Cashflow Forecast, employer rates for general employees will remain unchanged and rates for the safety employees will increase by approximately 0.48% after removing the impact of the additional pension liability contributions OCFA has made to OCERS. Consistent with Board direction, we continue to pay the original rates, capturing those savings and increasing payments directly to our unfunded liability.

PENDING ISSUES

- **TRAN** – Staff originally anticipated the need to issue a Tax Revenue Anticipation Note (TRAN) in the current fiscal year. After consulting with financial advisors it was determined this was no longer necessary as sufficient cash would be on hand to bridge the gap between our regular property tax payments from the Auditor-Controller, which typically occur in December and April. Many factors influence the determination of whether a TRAN will be needed including timing of large capital expenditures. The determination of whether we will need to issue a TRAN will be made as we get closer to budget development for the next fiscal year.

MONITORING FINANCIAL HEALTH

Financial Forecast

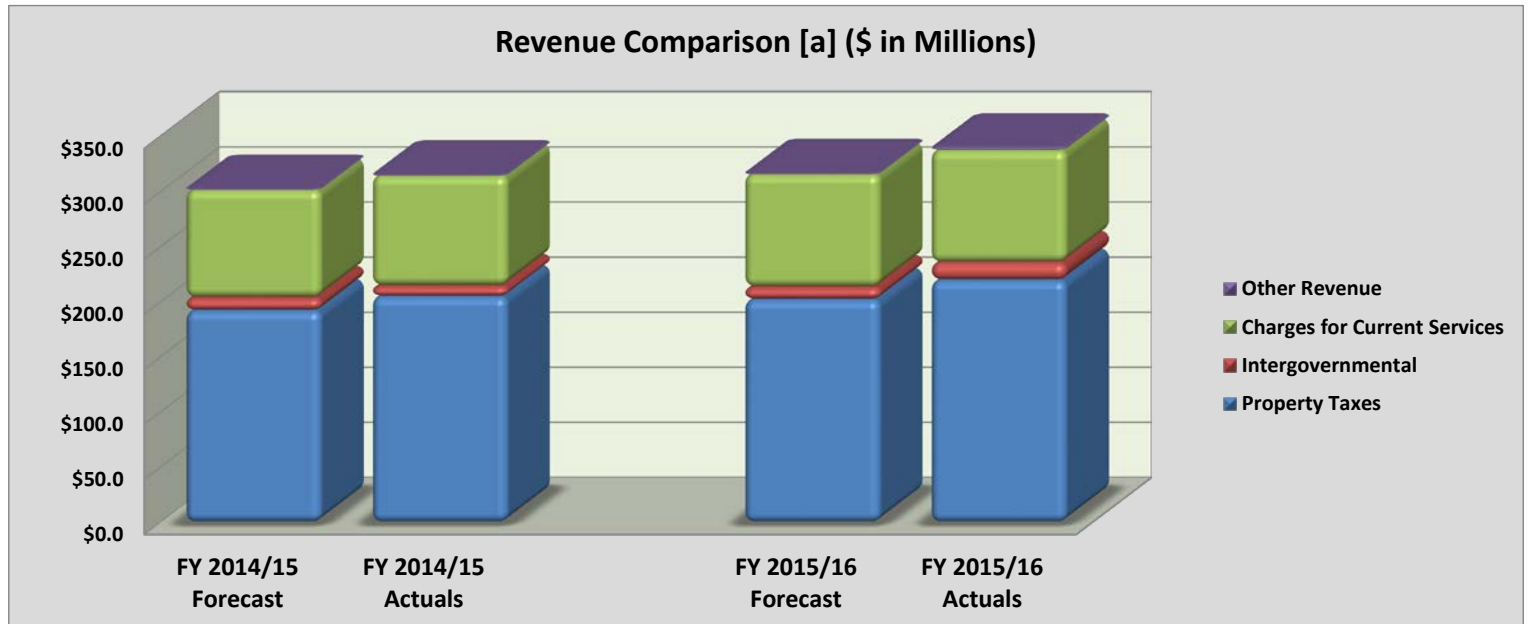
The Fiscal Health Plan directs staff to monitor our financial indicators through frequent updates to the Authority's Five Year Financial Forecast, measuring revenues, expenditures, debt, and committed and uncommitted fund balance. These categories are forecast using all available information, Board actions, and economic conditions (Exhibits 2 and 3).

A trend report has been developed comparing the differences between the forecasted data and actual financial results and is attached to this Review as Exhibit 1.

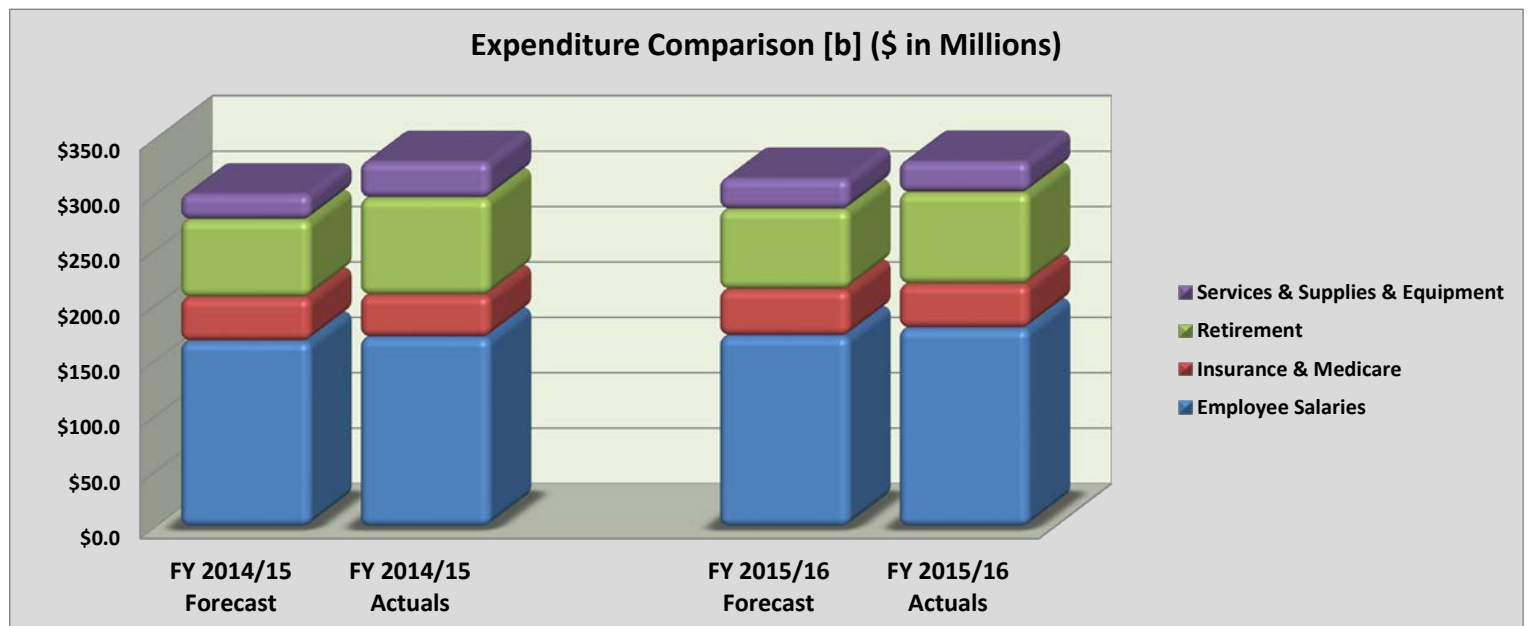
2016 Trend Analysis: Summary of 2-Year Forecast vs. Adjusted Actuals

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

Comparison of 2015/16 Forecast as Presented in 2014/15 Adopted Budget to 2015/16 Actuals



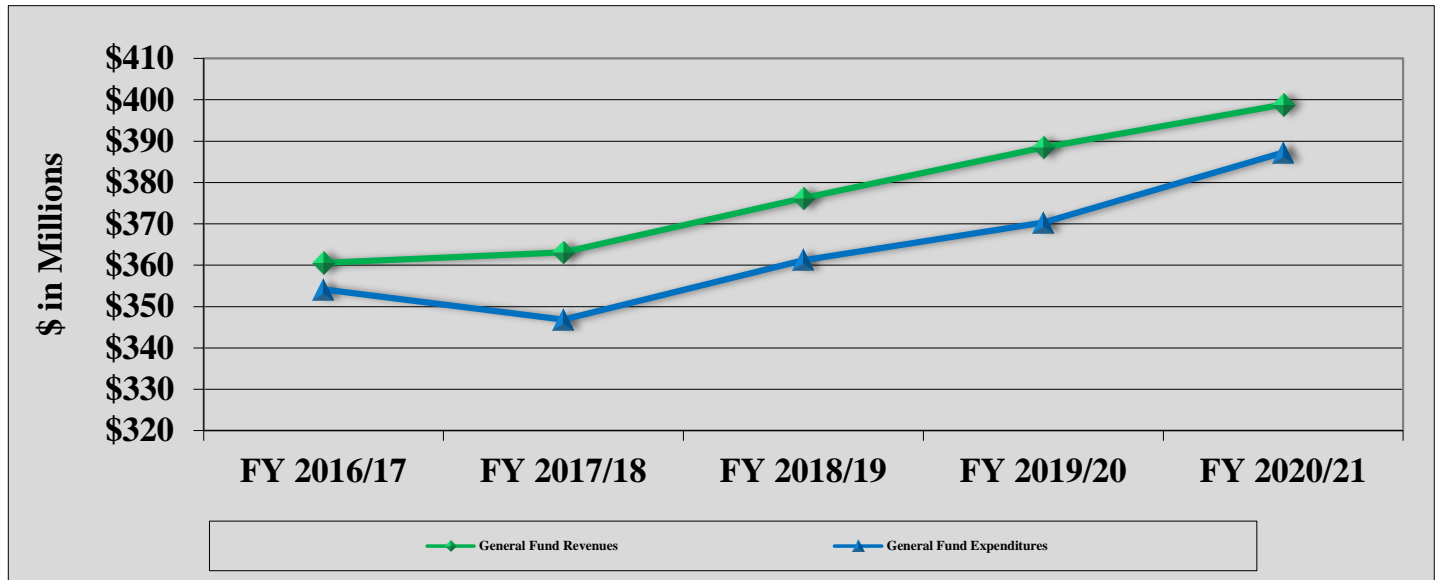
[a] Actual revenue adjusted for one-time sources not forecasted such as assistance by hire revenue, grant revenue, and one-time revenue associated with RDA dissolutions.



[b] Actual expenditures adjusted for one-time items not forecasted such as grant expenditures.

OCFA Five-Year Forecast, 2% Annual Salary Inc. After MOU Expirations
Orange County Fire Authority
Five-Year Financial Forecast

	Year 1 FY 2016/17	Year 2 FY 2017/18	Year 3 FY 2018/19	Year 4 FY 2019/20	Year 5 FY 2020/21
Beginning Fund Balance	202,123,783	166,839,517	171,027,455	179,619,688	196,253,653
General Fund Revenues	360,544,524	363,122,963	376,167,748	388,392,077	398,811,168
General Fund Expenditures	340,644,902	340,933,639	352,027,851	360,596,651	374,842,394
Paydown of UAAL	13,467,591	5,886,420	9,167,397	9,648,658	12,368,859
Total General Fund Expenditures	354,112,493	346,820,059	361,195,247	370,245,308	387,211,253
Net General Fund Revenue	6,432,031	16,302,904	14,972,501	18,146,769	11,599,915
Less Incremental Increase in 10% GF Op. Cont.	1,193,202	1,058,849	1,109,421	856,880	1,424,574
General Fund Surplus / (Deficit)	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
Operating Transfer to GF Cashflow	-	-	-	-	-
Operating Transfer to CIP Funds	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
Draws from GF Fund Balances	-	-	-	-	-
CIP/Other Revenues	19,546,105	30,468,218	30,183,853	34,568,199	26,334,387
CIP/Other Expenses	56,023,574	27,339,130	22,701,040	18,791,114	16,410,355
CIP Surplus / (Deficit)	(36,477,468)	3,129,088	7,482,813	15,777,085	9,924,032
Ending Fund Balance	166,839,517	171,027,455	179,619,688	196,253,653	207,602,260



	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
General Fund Revenues	\$ 360.54	\$ 363.12	\$ 376.17	\$ 388.39	\$ 398.81
General Fund Expenditures	\$ 354.11	\$ 346.82	\$ 361.20	\$ 370.25	\$ 387.21

OCFA Five-Year Forecast, 2% Annual Salary Inc. After MOU

Expirations

	PROJECTED FY 2016/17	PROJECTED FY 2017/18	PROJECTED FY 2018/19	PROJECTED FY 2019/20	PROJECTED FY 2020/21
A. BEGINNING FUND BALANCE	202,123,783	166,839,517	171,027,455	179,619,688	196,253,653
GENERAL FUND REVENUES					
Property Taxes	230,301,459	239,258,085	247,469,483	255,054,418	261,306,416
State Reimbursements	5,286,668	5,286,668	5,286,668	5,286,668	5,286,668
Federal Reimbursements	100,000	100,000	100,000	100,000	100,000
One-Time Grant/ABH/RDA	10,525,710	-	-	-	-
Community Redevelopment Agency Pass-thru	10,006,233	10,265,211	10,532,956	10,824,844	11,059,128
Cash Contracts	92,357,581	95,906,571	100,090,704	104,407,978	108,305,711
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	348,821	711,346	1,092,856	1,123,087	1,158,163
Other Revenue	1,240,119	1,217,148	1,217,148	1,217,148	1,217,148
Transfers from General Fund Cashflow Fund (OCERS Pre-Pay)	-	-	-	-	-
TOTAL REVENUES	360,544,524	363,122,963	376,167,748	388,392,077	398,811,168
GENERAL FUND EXPENDITURES					
New Positions for New Stations	-	2,967,745	3,030,993	3,095,589	6,885,100
Employee Salaries	189,411,658	198,322,130	206,753,425	211,193,478	215,246,364
Retirement - Regular Annual Payments	67,352,525	68,282,976	67,631,771	68,535,064	71,103,400
Retirement - Paydown of UAAL (Rate Savings)	1,653,114	1,886,420	3,167,397	1,648,658	2,368,859
Retirement - Paydown of UAAL (Unencumb. Funds)	9,814,477	-	-	-	-
Retirement - Paydown of UAAL (\$1M per Year from WC)	1,000,000	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	9,000,000
Workers' Comp Transfer out to Self-Ins. Fund	11,444,465	11,524,340	11,843,838	12,229,153	12,626,028
Other Insurance	26,799,046	29,257,020	31,940,818	34,871,224	38,070,941
Medicare	2,543,391	2,610,168	2,617,747	2,625,473	2,677,224
One-Time Grant/ABH Expenditures	9,046,543	-	-	-	-
Salaries & Employee Benefits	320,065,219	318,850,800	332,985,988	342,198,639	358,977,915
Services & Supplies/Equipment	32,794,061	27,822,235	28,062,235	27,895,235	27,901,885
New Station/Enhancements S&S Impacts	-	147,024	147,024	151,435	331,453
One-Time Grant Expenditures	1,253,213	-	-	-	-
TOTAL EXPENDITURES	354,112,493	346,820,059	361,195,247	370,245,308	387,211,253
NET GENERAL FUND REVENUE	6,432,031	16,302,904	14,972,501	18,146,769	11,599,915
B. Incremental Increase in GF 10% Contingency	1,193,202	1,058,849	1,109,421	856,880	1,424,574
GENERAL FUND SURPLUS / (DEFICIT)	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
C. Operating Transfers (from) Operating Contingency	-	-	-	-	-
Transfers to CIP Funds					
Transfers to CIP from General Fund Surplus	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
Total Operating Transfers to CIP	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
Capital Improvement Program/Other Fund Revenues					
Interest Earnings	1,055,010	1,933,804	1,652,349	1,819,613	2,003,612
State/Federal Reimbursement	-	-	-	-	-
Cash Contracts	1,358,858	1,399,624	1,441,613	1,484,861	1,529,406
Developer Contributions	-	-	1,016,577	1,744,683	-
Workers' Comp Transfer in from GF	11,444,465	11,524,340	11,843,838	12,229,153	12,626,028
Miscellaneous	448,944	366,396	366,396	-	-
Operating Transfers In	5,238,829	15,244,055	13,863,080	17,289,889	10,175,341
Total CIP, W/C, Other Revenues	19,546,105	30,468,218	30,183,853	34,568,199	26,334,387
Capital Improvement Program/Other Fund Expenses					
Fund 12110 - General Fund CIP	5,441,410	1,234,400	1,685,700	1,398,700	1,368,700
Fund 123 - Fire Stations and Facilities	10,023,686	6,700,000	385,000	-	-
Fund 124 - Communications & Information Systems	11,204,599	3,906,511	4,444,367	1,000,000	1,000,000
Fund 133 - Fire Apparatus	21,464,696	7,598,371	7,717,302	7,207,494	4,079,908
Sub-Total CIP Expenses	48,134,391	19,439,282	14,232,369	9,606,194	6,448,608
Fund 171 - SFF Entitlement	584,464	-	-	-	-
Fund 190 - WC Self-Ins. (Cashflow Payments per Actuary)	7,304,719	7,899,848	8,468,671	9,184,920	9,961,747
Total CIP, W/C, Other Expenses	56,023,574	27,339,130	22,701,040	18,791,114	16,410,355
D. CIP SURPLUS/(DEFICIT)	(36,477,468)	3,129,088	7,482,813	15,777,085	9,924,032
ENDING FUND BALANCE (A+B+C+D) [a]	166,839,517	171,027,455	179,619,688	196,253,653	207,602,260
Fund Balances					
Operating Contingency (10% of Expenditures)	33,034,515	34,093,364	35,202,785	36,059,665	37,484,239
Reserve Exceeding Required Contingency	19,493,205	19,493,205	19,493,205	19,493,205	19,493,205
Reserve for Cash Contract City Station Maintenance	405,000	405,000	405,000	405,000	405,000
Donations & Developer Contributions	2,478	2,478	2,478	2,478	2,478
Fund 171 - Structural Fire Fund Entitlement	4,567	12,883	19,988	27,812	36,428
Capital Improvement Program	35,470,337	33,926,231	37,137,808	48,883,883	55,057,076
Fund 190 - WC Self-Insurance	78,429,415	83,094,294	87,358,424	91,381,609	95,123,834
Total Fund Balances	166,839,517	171,027,455	179,619,688	196,253,653	207,602,260

[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 2016/17 budget, and the Five-Year Capital Improvement Plan approved by the Board of Directors on May 26, 2016 form the basis for this financial forecast with the following adjustments:

- Updated total beginning fund balance from the FY 2015/16 audited financial statements
- All approved budget adjustments that have occurred since the adoption of the budget
- Proposed FY 2016/17 mid-year adjustments

General Fund Revenues:

- ***Secured Property Taxes*** – Rosenow Spevacek Group’s Final 2016 Report provides the growth factors assumed for the forecast. The following are projections of current secured property tax growth:

FY 2016/17	4.57%
FY 2017/18	4.17%
FY 2018/19	3.67%
FY 2019/20	3.27%
FY 2020/21	2.61%

- ***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 2016/17 adopted budget by \$10.5M 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 4/4/2016. 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 1.40% and 4.5% per year. 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** – This revenue is estimated to remain flat, pending any changes approved by the Board.
- **Interest Earnings** – Assumes an annual return of 0.75% for FY 2016/17, 1.50% for FY 2017/18, and 2.25% for FY 2018/19 through FY 2020/21.
- **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:
 - ✓ **New Positions for New Stations** – The forecast also assumes that four positions for a Station 20 Truck will be unfrozen 7/1/2017, one Station 67 engine will become operational on 7/1/2020 and a Station 67 truck will be operational on 7/1/2021.
 - ✓ **Employee Salaries** – Projected salaries reflect increases consistent with the approved labor group MOUs. In addition, annual salary increases of 2% projected for the years that follow expiration of the current MOUs.
 - ✓ **Retirement** – Retirement costs reflecting the projected employer retirement rates are based on the OCERS provided rates for FY 2016/17 that do not include the 3-year phase-in of the impact of a change in economic assumptions on employer contribution rates for Safety Members (“3-Year Phase-In”). The projected employer rates in the outer years of the forecast are based on a study prepared by Segal Consulting and provided by OCERS on 8/25/2016. FY 2017/18 rates are approximately 3.03% higher for safety and 0.60% higher for non-safety compared to FY 2016/17 rates.

FY	Safety	General	Source
2016/17	47.75%	33.20%	Effective rates for FY 2016/17 provided by OCERS without 3-Year Phase-In
2017/18	50.78%	33.80%	Per Segal Study dated August 2016. Effective rates after removing impact of additional OCFA UAAL contributions, assuming 7.25% rate of return for all years.
2018/19	50.79%	34.10%	
2019/20	51.49%	34.60%	
2020/21	52.29%	35.20%	

A FY 2016/17 mid-year adjustment of \$9.8M is proposed for accelerated paydown of OCFA’s Unfunded Actuarial Accrued Liability (UAAL) from unencumbered fund balance carried over from FY 2015/16.

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) of \$1.7M in FY 2016/17 and continuing in different amounts until payment is complete.
 - Contributing an additional \$1M each year starting in FY 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.
- ✓ **Workers' Compensation** – FY 2016/17 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 June 2016 Study.
- ✓ **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 \$35,000 for unemployment insurance in FY 2016/17.
- ✓ **Medicare** – Annual amounts are calculated at 1.41% 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 2016/17.
 - **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).

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 0.75% for FY 2016/17, 1.50% for FY 2017/18, and 2.25% for FY 2018/19 through FY 2020/21.
- **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 the purchase of 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 June 2016 Workers' Compensation Actuarial Study.

Fund Balances:

- **Operating Contingency** – Reflects policy of 10% of the General Fund expenditures each year (less one-time expenditures). General Fund deficits (if applicable) are deducted from this category of fund balance once the Cash Flow fund balance is exhausted.
- **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
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 3B
Consent Calendar

Annual Grant Priorities for 2017

Contact(s) for Further Information

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Operations Department

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714.573.6012

Jay Barkman, Legislative Analyst

jaybarkman@ocfa.org

714.573.6048

Summary

This annual agenda item is submitted to the Budget and Finance Committee for adoption of OCFA's Annual Grant Priorities for 2017.

Prior Board/Committee Action

Budget and Finance Committee Recommendation: *APPROVE*

At its regular January 11, 2017, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

RECOMMENDED ACTION(S)

Approve OCFA's Annual Grant Priorities for 2017.

Impact to Cities/County

Successful grant applications for staffing and equipment will provide significant benefit to member cities and the county.

Fiscal Impact

If grant funds are awarded for staffing or equipment, these funds will help offset expenses.

Background

An OCFA application for a Federal Emergency Management Agency (FEMA) *Staffing for Adequate Fire and Emergency Response* (SAFER) grant to fund a fourth firefighter position for Buena Park, Tustin, Placentia, and San Clemente was denied in 2016. OCFA also submitted applications in 2016 for FEMA's *Assistance to Firefighters* grants for traffic collision extrication tools, a regional grant for firefighter turnout washers, and a California Office of Traffic Safety grant for extrication tools; however, these applications were also denied.

Having been encouraged by the grantors to re-apply for the above grants, staff is asking for continued Board support of these grant priorities for 2017. The attached document outlines these grants.

Attachment(s)

OCFA's Annual Grant Priorities for 2017



Orange County Fire Authority

Annual Grant Priorities

January 11, 2017

Operations Department/
Communications and
Public Affairs
1 Fire Authority Road
Irvine, CA 92602
(714) 573-6801

Assistance to Firefighters Grant (AFG)**Application Submitted:** November 18, 2016

This Federal Emergency Management Agency (FEMA) grant funds the purchase of firefighting vehicles and safety equipment. Safety equipment applications are accepted for tools, personal protective equipment (PPE), training, wellness and fitness, and station modifications. Departments can submit one application and an additional “regional application,” in partnership with one or more other fire departments. OCFA’s application for 2016-17 employs this method.

2017 Application - \$391,392

Traffic Collisions-Extrication Tools: OCFA has applied for funds to replace hydraulic tools used to free victims trapped during traffic collisions. Current tools have become outdated for use on new cars that have improved safety features and reinforced construction. New high pressure powered hydraulic sheers, rams, and other tools will reduce extrication times and speed patient treatment.

2017 Regional Application - \$424,574

Firefighter Turnout Washers: OCFA has partnered with six other fire departments (Costa Mesa, Fountain Valley, Fullerton/Brea, Garden Grove, Huntington Beach, and Newport Beach) to apply for a regional grant to fund washers that clean PPE turnouts. These washers will help improve firefighter safety, decrease exposure to carcinogens, and reduce future cancer risks.

California Office of Traffic Safety (OTS)**Application Closes:** January 30, 2017

This grant provides federal funds through California’s Office of Traffic Safety (OTS) for local agencies that provide emergency medical services. One type of award is for replacement of extrication tools to free traffic accident victims more quickly and speed patient treatment.

2017 Application - \$225,000

Extrication Tools: OCFA will request funds to replace extrication tools on truck companies that respond to a high volume of traffic collisions. In 2016, OTS only allotted \$450,000 statewide to fund extrication tool replacement applications. Since OTS is likely to make multiple awards in 2017, OCFA is applying for an amount that will fund extrication equipment for up to eight truck companies. These units will be identified based upon their level of response to traffic collisions.

Staffing for Adequate Fire and Emergency Response (SAFER)**Application Opens:**
January 2017

This FEMA grant funds the hiring of “front-line” firefighters. OCFA is eligible to request funding to for new firefighter positions, including the addition of a fourth firefighter on engines to enhance service delivery, improve efficiency, and enhance firefighter safety. In the past, this grant has provided two years of funding, with no local cost share, and no requirement that the positions be maintained after the two year grant period ends.

2017 Application - \$5,348,184

Firefighter Staffing: OCFA will submit an application to fund a fourth firefighter for a single unit in each of the member cities of Buena Park, San Clemente, Placentia, and Tustin. Each city has an engine currently staffed with three firefighters. Adding a fourth firefighter on these units will improve service delivery and enhance firefighter safety.

FEMA Fire Prevention and Safety Grant**Application Opens:** Spring 2017

Categories under this grant cover general education/awareness, arson investigation, and fire code education/awareness. Projects that may be considered include supporting OCFA’s ongoing smoke alarm installations, and wildland safety efforts. OCFA is in need of 600 smoke alarms designed for hearing impaired individuals. These alarms provide a visual strobe light notification, and a physical vibration designed to wake individuals when an audible smoke alarm is activated.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 3C
Consent Calendar

Award of Public Works Contract for
Tenant Improvements – Urban Search and Rescue Warehouse

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6008
Patrick Bauer, Property Manager	patrickbauer@ocfa.org	714.573.6471

Summary

This agenda item seeks approval of the plans and specifications for the tenant improvement project at the Urban Search and Rescue (US&R) warehouse and award of a public works contract to Hoffman Management and Construction Corporation, the lowest responsive and responsible bidder, responding to formal bid RO2161.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

1. Approve the plans and specifications for the tenant improvements at the US&R Warehouse.
2. Approve and award the public works contract to Hoffman Management and Construction Corporation in the amount of \$616,258.
3. Authorize a 10% (\$61,625) allowance for contingency.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funds are available in the approved FY 2016/17 Budget. As indicated by Chief Schroeder at the October 27, 2016, Board meeting, additional funding needs for this project were anticipated, due to modification needed to the building design including thickening the slab, as well as increasing the size of the doors to allow access of vehicles. Staff has identified savings of \$358,883 in the Fire Station 11 remodel project. These savings will be transferred to the US&R Warehouse project to compensate for the difference between the \$319,000 currently available for the US&R Warehouse Phase I Project and the \$677,883 bid amount including contingency.

Background

The US&R warehouse is a non-essential, non-emergency response warehouse facility that will be used to store rescue equipment and vehicles comprised of three tractor trailer trucks, six light duty vehicles (pickup trucks/SUV), and eight cargo trailers as required by the Federal Emergency Management Agency (FEMA). The facility is primarily a one-story warehouse building that is approximately 135' wide and 220' long. The southern end of the building includes a 53' by 135' mezzanine that creates a second story office area. The total area is approximately 31,000 square

feet. Tenant improvements are required in order to utilize the warehouse building for the intended use by modifying the existing vehicle door openings and to upgrade flooring in order to accommodate for parking and storage of the rescue equipment and vehicles. This project involves retrofitting of an existing warehouse building to serve as a storage and staging location for emergency response equipment and provisions. Improvements include, enlarging existing openings, restriping pavement to direct new traffic flow, seismic retrofitting, ventilation improvements, and the reinforcement of the concrete slab in areas with heavy equipment requirements. The restrooms will also require accessibility upgrades.

Lewis Schoeplein Architects was selected through a competitive Request for Proposals process to develop the plans and specifications for the required tenant improvements.

On November 3, 2016, an Invitation for Bid (IFB) was issued and 386 vendors were notified electronically. The project was also advertised in the Orange County Register (November 6, 2016, and November 13, 2016). The bid included plans and specifications with all required modifications needed for the required tenant improvements at the warehouse. Eighteen contractors attended the mandatory job-walk held on November 22, 2016.

On December 6, 2016, the bid due date, twelve construction bids were received from the following contractors:

1. Hoffman Management & Construction	\$ 616,258
2. PCN3, Inc.	\$ 645,608
3. Marjani Builders	\$ 662,000
4. Fast Track Construction	\$ 671,370
5. Archico Design Build	\$ 676,000
6. JRH Construction	\$ 683,148
7. Patriot Contracting & Engineering	\$ 725,000
8. Gilman Builders, Inc.	\$ 744,000
9. Kazoni Construction	\$ 857,815
10. Kemcorp	\$ 969,500
11. Caltec Corporation	\$ 981,000
12. States Link Construction	\$1,211,134

Additional research was completed by OCFA staff and to confirm responsiveness of the bid and qualifications of the apparent low-bidder, Hoffman Management and Construction Corporation. On December 21, 2016, a meeting was conducted with the apparent low bidder and OCFA staff to confirm specifications and the scope of work provided in the bid submittal.

OCFA staff also verified the current California State License Board (CSLB) license statuses and registration with the Department of Industrial Relations (DIR) for the prime contractor and each subcontractor as follows:

Contractor/Subcontractor Name	CSLB License Number, Classification, and Expiration	DIR Registration Number
Hoffman Management & Construction Corporation	506092, A, B; Exp: 2/28/17*	1000024905
Best Bobcat	978936, C12; Exp: 11/30/18	1000038736
Trussworks International, Inc.	1018654, A, B, C51, C60; Exp: 9/30/18	1000042936
Lawrence Roll-Up Doors, Inc.	574446, C, 61, D28, D52, D08; Exp: 8/31/17	1000006213
New Air, Inc.	995201, C20, C36; Exp: 7/31/18	1000019103
Trouble Free Skylights	362598, B; Exp: 9/30/18	1000045052
Oscar's Electric	743041, C10; Exp: 11/30/17	1000019780

* Per the CSLB (California State License Board) data base, the renewal application has been received, but not yet processed.

As a result of the additional research and meeting, qualifications of the apparent low bidder and its subcontractors for this project were confirmed and its bid was accepted.

Based on the results of the IFB, staff is recommending contract award to Hoffman Management and Construction Corporation as the lowest responsive responsible bidder based on base bid in the amount of \$616,258.00. Staff is also requesting an additional ten percent (\$61,625) allowance for any unforeseen conditions or owner directed changes that may arise during construction for a total not to exceed amount of \$677,883. Any use of contingency funds for emergency purposes, unforeseen conditions effecting construction schedule, or owner directed changes will be brought back to the Board at its next available meeting in an effort to keep the Board apprised of project status.

Attachments: (All attachments below are available in the Office of the Clerk, and will be provided upon request.)

1. Public Works Contract with Hoffman Management and Construction Corporation
2. Schedule of Values
3. Detailed Labor and Fee Breakdown

**ORANGE COUNTY FIRE AUTHORITY
CONSTRUCTION CONTRACT**

Per Bid RO2161

THIS CONTRACT is made and entered into, to be effective, this ____ day of January 2017, by and between Hoffman Management and Construction Corporation., hereinafter referred to as "Contractor," and the Orange County Fire Authority, hereinafter referred to as "Authority."

SECTION 1 - GENERAL CONDITIONS

Contractor certifies and agrees that all the terms, conditions, and obligations of the Contract Documents as defined therein, the location of the Project site, and the conditions under which the work is to be performed, have been thoroughly reviewed and enters into this Contract based upon Contractor's investigation of all such matters and is in no way relying upon any opinions or representations of Authority. It is agreed that this Contract and the attached exhibits (collectively "Contract Documents") represent the entire agreement. It is further agreed that the Contract Documents including the General Conditions, Scope of Work, Notice Inviting Bids, Special Instructions to Bidders, if any, and Contractor's Bid, and any revision, amendment, or addenda thereto, shall be deemed a part of such Contract Documents, and the Contractor and its subcontractors, if any, will be and are bound by any and all of the Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Contract. Contractor further certifies and agrees that the work described in the Contract Documents will be performed, installed, constructed, and completed in a professional and expert manner and that all such work will be completed on time and within budget.

SECTION 2 - MATERIALS AND LABOR

Contractor shall furnish, under the conditions expressed in the Contract Documents, at Contractor's own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by the Authority, to construct and complete the Project, in good workmanlike and substantial order. If Contractor fails to pay for labor or materials when due, Authority may settle such claims by making demand upon the surety to this Agreement. In the event of the failure or refusal of the surety to satisfy said claims, Authority may settle them directly and deduct the amount of payments from the Contract price and any amounts due to Contractor. In the event Authority receives a stop notice from any laborer or material supplier alleging nonpayment by Contractor, Authority shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.

Prior to each payment Contractor shall submit a "Conditional Release of Lien upon Progress Payment" with the first, and thereafter each, progress payment application in the amount of the application for payment specifying the period of time for which the Conditional Release applies.

For each subsequent payment period, if payment has been received by Contractor for the previous application, Contractor shall submit an "Unconditional Waiver and Release Upon Progress Payment" for the labor and materials associated with the progress billing satisfied with the prior payment.

The new progress billing is then submitted with a new "Conditional Release of Lien" in the amount of the application for the next specified period of time.

When all project labor and materials have been paid in full, Contractor shall submit an "Unconditional Waiver and Release Upon Final Payment".

Final Payment shall not become due until Contractor submits to Authority's Project Manager: (1) an Unconditional and Final Release of Liens containing an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the work and materials for which Authority or Authority's property might in any way be responsible, have been paid or otherwise satisfied, and signed by all subcontractors and suppliers; (2) the consent of the surety to Final Payment; and (3) if reasonably required by the Authority's Project Manager, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the Contract, to the extent and in

such form as may be designated by the Authority's Project Manager. Authority's Project Manager may require affidavits or certificates of payment and/or releases from any Subcontractor, laborer, or material supplier.

If any Subcontractor or material supplier refuses to sign the Final Release of Liens or to furnish a release or waiver required by Authority's Project Manager, Contractor may satisfy its obligation with respect to such Subcontractor or material supplier by furnishing a cash bond, assignment of a certificate of deposit, or other liquid security satisfactory to Authority's Project Manager to indemnify Authority against any lien and against the costs and reasonable attorney fees in discharging such lien. If any lien remains unsatisfied after all payments are made, Contractor shall refund to Authority all monies that the Authority pays in discharging such lien, including all costs and reasonable attorneys' fees, or Authority in its sole discretion may proceed to make a demand against the surety for all such costs and attorney fees. In the event Authority makes demand for payment against the surety, Contractor shall be responsible to reimburse Authority upon demand for any costs and reasonable attorney fees not paid by the surety.

SECTION 3 - CONTRACT PRICE AND METHOD OF PAYMENT

Authority agrees to pay and the Contractor agrees to accept as full consideration for the faithful performance of this Contract, subject to any subsequent additions or deductions as provided in approved change orders, the sum of six hundred sixteen thousand, two hundred fifty-eight (\$616,258) as shown on Exhibit A.

Within thirty (30) days from the commencement of work, there shall be paid to the Contractor a sum equal to ninety-five percent (95%) of the value of the actual work completed plus a like percentage of the value of material suitably stored at the worksite or approved storage yards subject to or under the control of the Authority, since the commencement of the work as determined by the Authority. Thereafter, on a schedule issued by the Authority at the commencement of the job which shows a minimum of one payment made to the Contractor per month for each successive month as the work progresses and the request for payment due dates from the Contractor to meet the payment schedule, the Contractor shall be paid such sum as will bring the total payments received since the commencement of the work up to ninety-five percent (95%) of the value of the work completed since the commencement of work as determined by the Authority, less all previous payments, provided that the Contractor submits the request for payment prior to the end of the day required to meet the payment schedule. The Authority will retain five percent (5%) of the amount of each such progress estimate and material cost until the Final Payment.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the Authority's Project Manager, stating that the work for which payment is demanded has been performed in accordance with the terms of the Contract, and that the amount stated in the certificate is due under the terms of the Contract. Partial payments on the Contract price shall not be considered as an acceptance of any part of the work.

SECTION 4 - TIME OF COMMENCEMENT AND COMPLETION

Contractor agrees to commence the Project within 15 calendar days from the date of execution of this Agreement and shall diligently prosecute the work to completion as provided for in the Contract Documents, excluding delays caused or authorized by the Authority as set forth in Contract Documents.

Time is of the essence of this Contract. As required by the Contract Documents, Contractor shall prepare and obtain approval of all shop drawings, details, and samples, and do all other things necessary and incidental to the prosecution of Contractor's work in conformance with an approved construction schedule. Contractor shall coordinate the work covered by this Contract with that of all other Contractors, subcontractors and of the Authority, if any, in a manner that will facilitate the efficient completion of the entire work in accordance with the Contract Documents. Authority shall have the right to assert complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of Contractor on the premises.

SECTION 5 – LIQUIDATED DAMAGES FOR DELAY

The parties agree that if the total work called for under this Contract, in all parts and requirements, is not completed within the time specified in Section 4 plus any allowance made for delays or extensions authorized under the Contract Documents, the Authority will sustain damage which would be extremely difficult and impracticable to ascertain. The parties therefore agree that Contractor will pay to Authority the sum of One Thousand Dollars (\$1,000.00) per day, as liquidated damages, and not as a penalty, for each and every calendar day during which completion of the Project is so delayed. Contractor agrees to pay such liquidated damages and further agrees that Authority may offset the amount of liquidated damages from any monies due or that may become due Contractor under this Contract.

SECTION 6 – COMPLETION

Within 10 days after the Contract completion date of the Project, Contractor shall file with the Project Manager its affidavit stating that all workers and persons employed, all firms supplying materials, and all subcontractors upon the Project have been paid in full, and that there are no claims outstanding against the Project for either labor or material, except those certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California. The Project Manager may require affidavits or certificates of payment and/or releases from any subcontractor, laborer or material supplier.

Upon receipt of Contractor's affidavit, the Project Manager shall prepare appropriate documentation setting forth the particular details of the completed Project, including but not limited to, description and amount of all change orders, the final amounts of the Contract, as amended, the time and dates of the total agreement and the identification of any unresolved claims or disputes. If necessary, Project Manager shall submit the Project and the agreements to the Board of Directors for acceptance of the job as complete.

SECTION 7 – SURETY BONDS

General Requirements

To the extent required under Civil Code section 9550, the Contractor shall furnish, prior to the signing the Agreement, and maintain thereafter, a payment bond in the amount of 100 percent of the Contract price including all applicable sales taxes. The bond shall be first approved by the office of the Counsel of the Authority. Such bonds shall be in substantially the form provided in the Contract Documents and issued by a surety authorized by the State Insurance Commissioner to do business in California, and have and maintain, throughout the life of the Project, at least an A- policyholder's rating, or better, and a financial rating of Class VII, or better, in accordance with the most current A.M. Best's Rating Guide.

Unacceptable Surety

If any surety upon any bond furnished in connection with the Contract Documents becomes unacceptable to the Authority, or if any such surety fails to furnish reports as to its financial condition from time to time as requested by the Project Manager, the Contractor shall promptly furnish such additional security as may be required by the Project Manager or the Board of Directors from time to time to protect the interests of the Authority and of persons supplying labor materials in the prosecution of the work contemplated by this Contract.

SECTION 8 – INSURANCE

Contractor is also aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation. Contractor and all subcontractors shall carry workers' compensation insurance for the protection of its employees during the progress of the work. The insurer shall waive its rights of subrogation against Authority, its officers, agents, and employees and shall issue an endorsement certificate to the policy evidencing same.

Contractor shall at all times carry, on all operations hereunder, bodily injury, personal injury, including death and property damage liability insurance, including automotive operations, bodily injury and property

damage coverage; and builders' all risk insurance. All insurance coverage shall be in amounts specified by Authority in the Insurance Requirements and shall be evidenced by the issuance of a certificate in a form prescribed by the Authority and shall be underwritten by insurance companies satisfactory to Authority for all operations, subcontract work, contractual obligations, product or completed operations, all owned, hired, and non-owned vehicles. Said insurance coverage obtained by the Contractor, excepting workers' compensation coverage, shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Authority to add the following provisions to the insurance policies: (1) the policy or policies shall name the Authority, its Directors, Officers, Officials, Agents, Employees, Project Manager, Volunteers and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents, and Employees, as determined by the Authority, as additional insured on said policies; and (2) each policy shall be endorsed to be primary and any other insurance, deductible, or self-insurance maintained by the Authority, its Directors, Officers, Officials, Agents, Employees, Project Manager, Volunteers or Consultants, shall not contribute with the primary insurance.

Before Contractor performs any work at, or prepares or delivers materials to, the site of construction, Contractor shall furnish certificates of insurance evidencing the foregoing insurance coverage and such certificates shall provide the name and policy number of each carrier and policy and that the insurance is in force and will not be canceled without thirty (30) days written notice to Authority.

Contractor shall maintain all of the foregoing insurance coverage in force until the work under this Contract is fully completed and accepted by Authority. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of Authority by Contractor under this Contract. Notwithstanding nor diminishing the obligations of Contractor with respect to the foregoing, Contractor shall subscribe for and maintain in full force and effect during the life of this Contract, the following insurance in amounts not less than the amounts specified and issued by a company admitted in California and having an A.M. Best's Guide Rating of "A-" Class VII or better: However, Authority will accept State Compensation Insurance Fund, for the required policy of Worker's Compensation subject to Authority's option to require a change in insurer in the event the State Fund financial rating is decreased below "B".

Workers' Compensation	Minimum of \$1,000,000 - In Accordance with the Workers' Compensation Act of the State of California.
General Liability, including operations, products and completed operations	\$5,000,000, per occurrence for bodily injury, personal injury and property damage/\$5,000,000 aggregate. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the required occurrence limit. For those businesses that are self-insured, a written declaration by the principal of the business should be provided.
Automobile Liability, including owned, hired, and non-owned vehicles	\$1,000,000 combined single limit per occurrence; \$1,000,000 uninsured motorist.
Builder's Risk	All Risk Basis; Completed value of the project without co-insurance penalty provided.

Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG0001)
2. Insurance Service Office (ISO) Business Auto Coverage (Form CA 0001) covering any auto.

Authority or its representatives shall at all times have the right to inspect and receive the original or a certified copy of all said policies of insurance, including certificates. Contractor shall pay the premiums on the insurance hereinabove required.

Contractor shall either: (1) include all subcontractors engaged in any work relating to this Contract as additional named insureds under the Contractor's insurance policies, or (2) Contractor shall be responsible for causing its subcontractors to procure, maintain and submit evidence to Authority of insurance of the same types, in the same amounts, and in compliance with the terms of the insurance requirements set forth in this section, including submittal of all required endorsements. All insurance policies provided by Contractor's subcontractors performing any work related to this Contract shall be endorsed to name the Authority, its officials, officers, employees, agents and volunteers, as additional insureds. Contractor shall not allow any subcontractor to commence any work relating to this Contract unless and until it has provided evidence satisfactory to Authority that the subcontractor has secured all insurance required under this section. Payment under this Contract for services performed by subcontractors may be withheld by Authority until evidence satisfactory to Authority is provided that the subcontractor has secured all the required insurance is provided to Authority.

SECTION 9 – RISK AND INDEMNIFICATION

All work covered by this Contract done at the site of construction or in preparing or delivering materials to the site shall be at the risk of Contractor alone. Contractor agrees to save, indemnify and keep Authority, its Directors, Officers, Agents, Employees, Project Manager, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees harmless against any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, except that the indemnity obligation of Contractor shall be reduced by an amount proportional to the active negligence of the Authority, if any, and will make good to and reimburse Authority for any expenditures, including reasonable attorneys' fees Authority may incur by reason of such matters, and if requested by Authority, will defend any such suits at the sole cost and expense of Contractor.

In the event Contractor or its insurer refuses or fails to provide a legal defense to Authority after receiving written notice of the legal action and a tender and demand for defense, Authority shall have the right to select counsel of its own choice to represent all the interests of the Authority. Contractor agrees that the amount of legal costs and expenses, including attorneys' fees, may be withheld by Authority from any Contract amounts due and owing to Contractor until such time as a final determination is made as to the responsibility for payment of said fees and costs.

SECTION 10 – CONTRACT DOCUMENTS

For the purposes of this Agreement the "Contract Documents are the items listed below. The Contract Documents are hereby incorporated into this Agreement and made a part thereof by this reference.

- 1) OCFA Invitation for Bid 2161
- 2) Orange County Fire Authority General Conditions
- 3) Drawings and Specifications for Descartes Warehouse Improvements (Produced by Lewis/Schoeplein Architects and approved by OCFA)
- 4) Contractor Bid responding to Bid RO2161 of (Date December 7, 2016)
- 5) Contractor Bid Bond dated November 30, 2016
- 6) Contractor Performance Bond
- 7) Contractor Labor and Materials Payment Bond
- 8) Designation of Subcontractors
- 9) Non-Collusion Affidavit
- 10) Site Visit Certification dated December 6, 2016
- 11) Contractor Certification of Worker's Compensation

- 12) Contractor Certification of Non-Discrimination by Contractors
- 13) Contractor Debarment and Suspension Certification
- 14) Designator of Sureties
- 15) Prevailing Wage Certification
- 16) Addenda to Bid 2161, Number 1
- 17) Supplemental Agreements amending or extending the Work contemplated and which may be required to complete the Work in a substantial and acceptable manner

SECTION 11 – MISCELLANEOUS PROVISIONS

Compliance with Labor Code and Public Contract Code. Authority is subject to the provisions of law relating to prevailing wages, labor law generally, and public contracts in the State of California. It is agreed that all provisions of law applicable to public contracts are a part of this Contract to the same extent as though set forth herein, and will be complied with by the Contractor.

No contractor or subcontractor may be listed on a proposal for a public works unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded or perform a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractor shall not pay less than the prevailing wage. It shall be the responsibility of the Contractor to obtain the prevailing wage rates from the Director of Industrial Relations directly.

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

Assignment. Contractor shall neither delegate its duties or obligations, nor assign its rights with respect to this Contract, either in whole or in part. Any such attempted delegation and/or assignment shall be void and deemed void at such occurrence, if it were to occur.

Computation of Time. When any period of time is referred to in these Contract Documents by days, it shall be computed to exclude the first and include the last day of the period, provided, however, that if the last day of the period falls on a Saturday, Sunday, or legal holiday, that day shall be omitted from the computation.

Interest. Any monies not paid when due to either party under this Contract shall bear interest at the rate of ten (10%) percent per annum, commencing on the forty-sixth (46th) day after demand for payment thereof after such monies are lawfully due and payable, except as otherwise provided in these Contract Documents.

Remedies Cumulative. No remedy herein reserved to Authority is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other given in the Contract as now or hereafter existing or at law, equity, or by statute.

Non-waiver. The failure of the Authority to notify the Contractor of any default under this Contract shall not be deemed to be a waiver by Authority of any continuing default by Contractor of any term, covenant, or condition set forth in this Contract, nor of the Authority's right to declare a default for any such continuing breach, and the failure of Authority to insist upon strict performance of any of the terms, covenants, or conditions of the Contract, or to exercise any option in the Contract in any one or more instances, shall not be construed as a waiver or relinquishment of any such terms, covenants, conditions or options, but the same shall be and remain in full force and effect.

Severability. In case any one or more provisions set forth in the Contract shall for any reason be held invalid, illegal, or unenforceable in any respect, any such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been incorporated therein so long as the deletion of such provision does not, in the Authority's judgment, materially alter this Contract.

No Third Party Beneficiaries. This Contract is not intended and shall not be deemed or construed, to confer any rights, powers, or privileges on any person, firm, partnership, corporation, or other entity not a party to this Contract except as may be expressly provided in the Contract to the contrary.

Oral Agreements. No oral order, objection, claim, or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Contract, and none of the provisions of the Contract shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or Modification in writing and executed in the manner required in this Contract by authorized officers or representatives of the Parties. No evidence shall be introduced in any proceeding of any other waiver or modification.

Counterparts. This Contract may be executed in any number of counterparts, and each of such counterparts for all purposes shall be deemed to be an original, and all of such counterparts should constitute one and the same agreement.

Governing Law. The Contract, including the Contract Documents, shall be governed by the laws of the State of California.

Services Prior to Execution. Notwithstanding the fact that this Contract is executed as of the date first set forth above, the Parties recognize that a portion of the Work required under the Contract may have been performed prior to such date, all of which Work shall be governed by the terms and conditions of this Contract and shall be deemed to be a part of the Work. Without limiting the foregoing, all of Contractor's liabilities and obligations to Authority shall apply to all Work and services provided by the Contractor for the Work prior hereto, notwithstanding the fact that the Work may have been performed prior to the date hereof pursuant to prior negotiations, representations, agreements, understandings, or otherwise.

Survival of Rights. Any indemnity, warranty, guarantee given by the Contractor to the Authority under this Contract shall survive the expiration or termination of this Contract and shall be binding upon Contractor until any action under this Contract is barred by the applicable statute of limitations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Construction Agreement as of the date first hereinabove written.

"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: _____

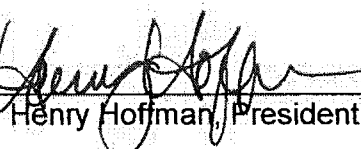
1/19/17

**"HOFFMAN MANAGEMENT AND
CONSTRUCTION CORPORATION"**

Date: _____

January 11, 2017

By: _____


Henry Hoffman, President

Schedule of Values

		DESCRIPTION OF WORK										
PROJECT TITLE:		Tenant Improvements - USAR Warehouse										
R02161												
			MATERIAL		LABOR		EQUIPMENT		TOTALS			
Item Description	UOM	Unit Quan	Unit Quan	Item Unit Cost	Unit Quan	Item Unit Cost	Unit Quan	Item Unit Cost	By Item Total	Major Item L S Total	Group Total	NOTES
GENERAL CONDITIONS												
Supervision/Project Management	L.S.	1			1	39600			\$ 39,600	\$ 39,600	\$ 108,998	
Temp Facilities, Tools, Equipment	L.S.	1					1	6250	\$ 6,250	\$ 6,250		
Dumpsters	L.S.	1					1	3150	\$ 3,150	\$ 3,150		
Final Clean-up	L.S.	1			1	2800			\$ 2,800	\$ 2,800		
Permits	L.S.	1	1	15000					\$ 15,000	\$ 15,000		
Punchlist	L.S.	1			1	3120			\$ 3,120	\$ 3,120		
Bonds & Insurance	L.S.	1	1	38328					\$ 38,328	\$ 38,328		
Stormwater pollution prevention	L.S.	1			1	750			\$ 750	\$ 750		
CIVIL/STRUCTURAL/DEMOLITION												
\$ 267,021												
Slab Demolition - Warehouse Floor and Walls - Saw cut - Concrete and soil removal - Concrete breaking - Over excavate & compaction - Disposal	L.S.	1			1	9090	1	25000	\$ 17,045	\$ 34,090	\$ 267,021	
Replace Modified Warehouse Slab - Import base and compact or 2 sand slurry fill - Install sand and vapor barrier - Rebar and dowels - Place concrete warehouse slab and door frame slabs	L.S.	1		135400	1	26400			\$ 80,900	\$ 161,800		
Supply and Install Bollards (24 Total) to Protect Six (6) Warehouse Posts	L.S.	1			1	6000			\$ 6,000	\$ 6,000		
Roll-Up Door Structural Steel Frame Installation - Structural steel frame installation a) Site steel frame welding b) Structural steel door frame/existing concrete tilt-up wall panel thru bolting - New door openings in existing concrete tilt-up wall panels a) Vertical saw cut and removal of tilt-up wall panels b) Concrete demolition of saw cut tilt-up wall panels c) Disposal	L.S.	1	1	30055	1	18876			\$ 24,466	\$ 48,931		
Seismic Reinforcement of Roof Diaphragm to Wall Force Transfer Connections - Install HD's for chord forces at roof beams and purlins - Install A35's for chord force transfer at roof sub-purlins to plywood diaphragm	L.S.	1	1	9000	1	7200			\$ 8,100	\$ 16,200		
MECHANICAL												
Install Exhaust Fans EF-1 thru EF-4 on Roof	L.S.	1			4	1460	4	3541	\$ 625	\$ 20,004	\$ 55,871	
Install Under-Roof Exhaust Ductwork and Intake Registers for EF-1 thru EF	L.S.	1	4	4329	4	3530			\$ 982	\$ 31,436		
Install Carbon Monoxide Detector Control Panel Detectors	L.S.	1			1	4431			\$ 4,431	\$ 4,431		
ELECTRICAL												
\$ 21,544												
Install Four (4) Exhaust Fan 480V Power Circuits and Motor Starter/ Disconnects for EF-1 thru EF-4	L.S.	1	4	484	1	14955			\$ 3,088	\$ 16,891	\$ 21,544	
Install 120V Power Circuit for Carbon Monoxide Control Panel	L.S.	1	1	1161					\$ 1,161	\$ 1,161		
Install Control Wiring Circuits for Exhaust Fans to Carbon Monoxide Control Panel and Detectors	L.S.	1	1	1161			1	780	\$ 971	\$ 1,941		
Install Two (2) Roll-Up Door Motor 208V Power Circuits	L.S.	1	2	775.5					\$ 388	\$ 1,551		
PLUMBING												
\$ 1,120												
Demo and Reinstall Four (4) Toilets for ADA Compliance Requirements	L.S.	1			1	1120			\$ 1,120	\$ 1,120		
ARCHITECTURAL												
\$ 71,314												
Install Eight (8) Louvered Sky Lights on Roof	L.S.	1					1	23426	\$ 23,426	\$ 23,426	\$ 71,314	
Install New Roll-Up Doors	L.S.	1					1	43468	\$ 43,468	\$ 43,468		
Paint New Roll-Up Doors	L.S.	1			1	3300			\$ 3,300	\$ 3,300		
Patch and Paint Bathroom Interiors (As Needed at ADA Compliance Relocated Partitions)	L.S.	1			1	1120			\$ 1,120	\$ 1,120		
OVERHEAD & PROFIT												
\$ 90,390												
OH&P	L.S.	1			1	90390			\$ 90,390	\$ 90,390		
Total										\$ 616,258		

Detailed Labor and Fee Breakdown
Orange County Fire Authority
RO2161 - Tenant Improvements - USAR Warehouse
PLEASE VERIFY PROPER CALCULATION

LABOR RATES FEE SCHEDULE

PROJECT FEE BY TASK BY PERSONNEL			Classification 1 (Ex. Electrical)			Discipline 2 (Ex. Structural)			Discipline 3 (Ex. Drainage)			Discipline 4 (Ex. Survey)											
Task Description	Supervision	Project Manager	Clean-up Labor	General Labor	Demolition Labor	Saw-Cut	Concrete	Carpenter	Mechanical	Electrician	Plumber	Painter	Title	Title	Title	Title	Title	QA/QC	Clerical / Administrative	TOTAL HOURS	TOTAL FEE	TOTAL PROJECT FEE	
	Burdened Hourly Rate	\$ 40.00	\$ 50.00	\$ 62.50	\$ 65.00	\$ 70.00	\$ 72.71	\$ 75.00	\$ 75.00	\$ 94.21	\$ 75.00	\$ 70.00	\$ 75.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
TOTAL ESTIMATED FEE FOR PREVAILING WAGE RELATED ACTIVITIES																					\$ -	\$ -	
TASK 1: GENERAL CONDITIONS																							
Task 1.1 SUPERVISOR	640																			640	\$ 25,600.00	\$ 25,600.00	
Task 1.2 PROJECT MANAGER		280																		280	\$ 14,000.00	\$ 14,000.00	
Task 1.3 CLEAN UP			45																	45	\$ 2,800.00	\$ 2,800.00	
Task 1.4 PUNCHLIST				48																48	\$ 3,120.00	\$ 3,120.00	
Task 1.5 STORMWATER			12																	12	\$ 750.00	\$ 750.00	
SUBTOTAL	640	280	57	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,025	\$ 46,270.00	\$ 46,270.00	
TASK 2: CIVIL/STRUCTURAL/DEMOLITION																							
Task 2.1 SAW-CUT & DEMOLITION					80	48														128	\$ 9,080.00	\$ 9,080.00	
Task 2.2 REPLACE SLAB							160	192												352	\$ 26,400.00	\$ 26,400.00	
Task 2.3 INSTALL BOLLARDS							80													80	\$ 6,000.00	\$ 6,000.00	
Task 2.4 ROLL-UP DOORS				290																290	\$ 18,876.00	\$ 18,876.00	
Task 2.5 STRUCTURAL REINFORCEMENT @ ROOF								96												96	\$ 7,200.00	\$ 7,200.00	
SUBTOTAL	0	0	0	290	80	48	240	288	0	0	0	0	0	0	0	0	0	0	0	946	\$ 67,566.00	\$ 67,566.00	
TASK 3: MECHANICAL																							
Task 3.1 HVAC WORK									100											100	\$ 9,421.00	\$ 9,421.00	
Task 3.2 Description																				0	\$ -	\$ -	
Task 3.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 9,421.00	\$ 9,421.00	
TASK 4: ELECTRICAL																							
Task 4.1 ELECTRICAL SCOPE										199										199	\$ 14,955.00	\$ 14,955.00	
Task 4.2 Description																				0	\$ -	\$ -	
Task 4.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 14,955.00	\$ 14,955.00	
TASK 5: PLUMBING																							
Task 5.1 REINSTALL TOILETS											16									16	\$ 1,120.00	\$ 1,120.00	
Task 5.2 Description																				0	\$ -	\$ -	
Task 5.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 1,120.00	\$ 1,120.00	
TOTAL LABOR FOR PREVAILING WAGE RELATED ACTIVITIES	640	280	57	338	80	48	240	288	0	0	0	0	0	0	0	0	0	0	0	1,971	\$ 139,332.00	\$ 139,332.00	
Other Direct Costs																							
Task 1. Description																					\$ -	\$ -	
Task 2. Description																					\$ -	\$ -	
Task 3. Description																					\$ -	\$ -	
Task 4. Description																					\$ -	\$ -	
Task 5. Description																					\$ -	\$ -	
SUBTOTAL																					\$ -	\$ -	
TOTAL ESTIMATED FEE FOR TRAINING, SUPPORT, AND OTHER NON-PREVAILING WAGE RELATED ACTIVITIES																						\$ 139,332.00	\$ 139,332.00
OPTIONAL ITEMS (IF ANY)																							
TASK 6: ARCHITECTURAL																							
Task 6.1 PAINT NEW ROLL-UP DOORS												44								44	\$ 3,300.00	\$ 3,300.00	
Task 6.2 PATCH AND PAINT BATHROOM INTERIORS					16															16	\$ 1,120.00	\$ 1,120.00	
Task 6.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 4,420.00	\$ 4,420.00	
TASK 7: DESCRIPTION																							
Task 7.1 Description																				0	\$ -	\$ -	
Task 7.2 Description																				0	\$ -	\$ -	
Task 7.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	
TASK 8: DESCRIPTION																							
Task 8.1 Description																				0	\$ -	\$ -	
Task 8.2 Description																				0	\$ -	\$ -	
Task 8.3 Description																				0	\$ -	\$ -	
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	
TOTAL LABOR FOR NON-PREVAILING WAGE RELATED ACTIVITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 4,420.00	\$ 4,420.00	
Other Direct Costs (Optional)																							
Task 6. Description																					\$ -	\$ -	
Task 7. Description																					\$ -	\$ -	
Task 8. Description																					\$ -	\$ -	
SUBTOTAL																					\$ -	\$ -	
TOTAL ESTIMATED FEE FOR TRAINING, SUPPORT, AND OTHER NON-PREVAILING WAGE RELATED ACTIVITIES																						\$ 4,420.00	\$ 4,420.00
TOTAL ESTIMATED LABOR FEES FOR PREVAILING WAGE AND NON-PREVAILING WAGE ACTIVITIES																						\$ 143,752.00	#####

**Letter Agreement #1
Concerning OCFA Construction Contract (Per Bid R02161)**

This Letter Agreement # 1 between Hoffman Management and Construction Corporation and the Orange County Fire Authority (collectively referred to herein as the "Parties") relating to that certain Orange County Fire Authority Construction Contract (Per Bid RO2161) ("Construction Contract") is entered into, to be effective, this ____ day of January 2017.

The Parties hereby agree:

1. Inclusion as Contract Document. The Parties intend that this Letter Agreement be attached as an exhibit to the Construction Contract and included as one of the "Contract Documents" as that term is defined in Section 1 – General Conditions of the Construction Contract.

2. Revisions to Notice Inviting Bids, Section III: Specifications/Scope of Work.

2.1 Exhibit 1, Section 32.B.2 (Correction of Defective Work) is modified such that OCFA will withhold a sum amounting to one and one-half (150%) of the value of any incomplete or unsatisfactory work until the work is satisfactorily completed.

2.2 Exhibit 1, Section 33.D (Final Inspection) is modified such that OCFA will, in the event that unsatisfactory work is not adjusted within a reasonable time period, withhold from final payment a sum amounting to one and one-half (150%) of the cost to correct such inadequacies.

2.3 Exhibit 1, Division 0 (Bidding Requirements) is deleted in its entirety.

"OCFA"

ORANGE COUNTY FIRE AUTHORITY

Date: _____

By: _____

Jeff Bowman, Fire Chief

**"HOFFMAN MANAGEMENT AND
CONSTRUCTION CORPORATION"**

Date: January 20, 2017

By: 
Henry Hoffman, President



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 3D
Consent Calendar

**Secured Fire Protection Agreement for
South Cove (Dana Point)**

Contact(s) for Further Information

Brian Young, Assistant Chief	brianyoung@ocfa.org	714.573.6014
Organizational Planning Department		
Tamera Rivers, Management Analyst	tamyrivers@ocfa.org	714.573.6199

Summary

This item is submitted to authorize the Fire Chief to execute Secured Fire Protection Agreement (SFPA) with 27 DBV Owner, LLC, as related to South Cove (Doheny Village), Dana Point.

Prior Board/Committee Action(s)

No committee action required or requested.

RECOMMENDED ACTION(S)

1. Approve and authorize the Fire Chief or his designee to execute a Secured Fire Protection Agreement with 27 DBV Owner, LLC, as related to South Cove (Doheny Village), Dana Point.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreement in the Official Records of the County of Orange, and furnish the developer a copy of the conformed documents within fifteen days of recordation.

Impact to Cities/County

This agreement has no negative impacts to any of our member cities or the County.

Fiscal Impact

Revenue received from this agreement will be assigned to the Capital Improvement Program in Fund 123. Revenue produced by full entitlements on the South Cove (Doheny Village) project is estimated to be \$100,800.

Background

The SFPA defines the fair share contributions needed to adequately serve the intended development and current communities adjacent to the project area. The fair share contributions are \$600 per dwelling unit and are intended to cover a pro rata share of costs associated with providing fire protection infrastructure to the new development. Payment will be made to OCFA after the agreement is signed and recorded and prior to the occupancy. The proposed agreement should provide OCFA and the developer with the ability to make long-range plans and decisions with respect to both infrastructure costs and operational costs associated with the development. This SFPA provides OCFA with the necessary assurances needed to complete work/review on enhancements to the regional emergency fire services delivery system.

South Cove (Doheny Village), Dana Point

27 DBV Owner, LLC is developing South Cove (Doheny Village). This project will provide 168 residential units in the project area. The SFPA is a required condition for project approval, and is in the standard form and at the standard per unit cost required for new development. Estimated revenue for the project is \$100,800.

Attachment(s)

Proposed Secured Fire Protection Agreement

EXEMPT PER GOVERNMENT CODE 6103

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

Orange County Fire Authority
Clerk of the Authority
1 Fire Authority Road
Irvine, CA 92602

AND WHEN RECORDED MAIL TO:

Orange County Fire Authority
Clerk of the Authority
1 Fire Authority Road
Irvine, CA 92602

THIS SPACE FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT:

SECURED FIRE PROTECTION AGREEMENT

By and between the

ORANGE COUNTY FIRE AUTHORITY,
A CALIFORNIA JOINT POWERS AUTHORITY

And

27 DBV Owner, LLC

Effective Date: 01/26/2017

Project Name: South Cove (Doheny Village)

SECURED FIRE PROTECTION AGREEMENT

by and between the

ORANGE COUNTY FIRE AUTHORITY,
A CALIFORNIA JOINT POWERS AUTHORITY

and

27 DBV Owner, LLC.

Effective Date: January 26, 2017

Project Name: South Cove (Doheny Village)

**ORANGE COUNTY FIRE AUTHORITY
SECURED FIRE PROTECTION AGREEMENT**

WITH

27 DBV Owner, LLC

This Secured Fire Protection Agreement ("Agreement") is made between the Orange County Fire Authority, a California Joint Powers Authority ("OCFA") and 27 DBV Owner, LLC ("Company"), and is effective as of _____, 201____.

RECITALS

A. OCFA is a governmental entity, organized as a California Joint Powers Authority, providing fire protection and life safety services to over one million residents within the County of Orange ("County"), including the City of Dana Point ("City") and all of the real property described in this Agreement.

B. This Agreement covers real property owned by Company located within the County of Orange and the City of Dana Point as of the date of this Agreement, all as described on Exhibit A attached hereto. The extent of Company development for which fire protection services will be provided by Authority shall cover all of the property subject to Vesting Tentative Tract Map No. 17146.

C. Company's development of the Project Area is subject to the general development requirements and conditions (collectively, the "City Conditions") related to the provision for emergency response, fire protection services, equipment and facilities imposed by the City. The City Conditions generally include requirements for Company to enter into agreements with OCFA to ensure that Company will provide for and contribute its *pro rata* fair share costs of emergency response, fire protection services, equipment and facilities for the benefit of residents residing within the Project Area.

D. OCFA and Company believe that this Agreement contains adequate safeguards to ensure OCFA's ability to enforce the obligations of this Agreement and protect the public interest.

AGREEMENT

Based upon the foregoing Recitals and in consideration of the covenants and conditions contained in this Agreement, the parties agree to timely perform each of their respective obligations as set forth herein.

SECTION 1. DEFINITIONS

Unless the context otherwise requires, wherever in this Agreement the following terms are used, the intent and meaning shall be interpreted as provided herein.

"Agreement" means this Secured Fire Protection Agreement, including the attached Exhibits between OCFA and the Company.

"OCFA" means the Orange County Fire Authority, a governmental entity and California joint powers authority.

"City" means the City of Dana Point, a member of OCFA.

"Company" means 27 DBV Owner, LLC

"City Conditions" means the general development requirements and conditions related to the provision of emergency response, fire protection services, equipment and facilities imposed by the City as conditions of approval on development projects proposed or undertaken in the City by Company.

"Effective Date" means the date this Agreement is approved by the OCFA Board of Directors.

"Fee" means the most current fee, as approved by OCFA or its successors or predecessors in interest, or as may be adopted by OCFA or its successors from time to time, for the funding in whole or in part of emergency response, fire protection services, equipment and facilities within the jurisdiction of OCFA.

"Project Area" means the property owned by Company within the City as of the date of this Agreement, and as more particularly described in Exhibit A.

"Security Instruments" means surety bonds, letters of credit or any other form of security or method, acceptable to OCFA, of assuring construction, installation, or provision of emergency response, fire protection services, equipment and facilities.

SECTION 2. COMPANY OBLIGATIONS

Company is in the process of developing the property in the Project Area and constructing improvements thereon that will result in regional impacts that will require emergency response, fire protection services, equipment and facilities by OCFA. In recognition and consideration of these impacts, OCFA and Company mutually agree as follows:

A. Acknowledgment of Obligations and Satisfaction of OCFA Requirements

Company acknowledges that pursuant to the City Conditions, Company is required (i) to provide a *pro rata* share of funding necessary to establish adequate emergency response, fire protection services, equipment and facilities, and (ii) contribute towards overall regional emergency response, fire protection services, equipment and facilities as provided herein in this Agreement. OCFA acknowledges that Company's performance of the obligations set forth in this Agreement constitute satisfaction of the obligations of Company for this Project. The *pro rata* share does not include standard processing fees for plan checking, permits and similar services or requirements of OCFA.

B. Pro Rata Share

1. Company agrees to pay in full its *pro rata* share as provided below:

(a) A cash contribution in an amount determined by multiplying the applicable fee in effect at the time payment is due by the number of proposed residential dwelling units and, in the case of commercial development, the square footage equivalency as determined by the formula in subparagraph (b) below (all as shown on the attached Exhibit B), within ten (10) days of issuance of the first residential or commercial building permit ("Due Date") for any portion of the property owned by Company within the Project Area as of the Effective Date. The parties agree that the applicable fee on the Effective Date is \$600/unit. The parties further agree that the Company's total funding obligation on the effective date of this Agreement is \$100,800 (all as shown on Exhibit B).

(b) Such amounts of residential dwelling units and square footage of commercial development may be adjusted according to an equivalency formula as follows: 1) commercial development square footage may be divided by 1,000 and then multiplied by 0.9 (nine/tenths or 9/10) to reach the equivalent dwelling units; 2) residential dwelling units may be divided by 0.9 (nine/tenths or 9/10) and then multiplied by 1,000 to reach the equivalent commercial square footage.

2. Nothing in this Agreement shall be construed to prohibit Company from paying all, or a portion, of the amount(s) set forth above in advance of the Due Date. Such prepayment will be calculated by multiplying \$600 or the applicable fee in effect at the time of payment by the number of units for which the Company wishes to prepay. Company will not be responsible for any subsequent fee increase that may be adopted by OCFA between the date of payment and the issuance of a building permit for the units covered by the paid fee.

3. In the event that the actual number of dwelling units, or equivalent dwelling units, built is less than 168, OCFA will make such adjustments as may be appropriate, including the payment of any refund for any amounts overpaid. At build-out, documentation satisfactory to OCFA shall be furnished to OCFA which verifies the actual number of dwelling units, or equivalent dwelling units, constructed and that no further units, or equivalent units, shall be built on the property in the Project Area

owned by Company on the Effective Date. Such documentation shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built (calculated by subtracting the total number of units, or equivalent units, built from 168, the total number of units, or equivalent units, allowed). OCFA shall refund the Company for any amounts overpaid within thirty (30) days of the earlier of (i) written notification to OCFA that the Company will build less than the 168 proposed residential dwelling units; and (ii) the date the OCFA receives the above-referenced documentation which shall serve as the basis for making any necessary adjustments by multiplying the applicable fee in effect at the time of the last payment to OCFA by the actual number of units, or equivalent units, that were not built.

SECTION 3. SECURITIES

A. Security to Guarantee Payment

Within sixty (60) days after execution of this Agreement, Company shall furnish OCFA with a Faithful Performance Bond or Letter of Credit or any other security instrument acceptable to the Fire Chief and OCFA Counsel, securing Company's then remaining obligation to pay OCFA the *pro rata* share amount set forth in Section 2, subject to the following requirements:

1. Form of Security Instruments. All Security Instruments shall meet the following minimum requirements and otherwise shall be in a form acceptable to OCFA:

(a) Any insurance company acting as surety shall have a minimum rating of A, as rated by the current edition of Best's Key Rating Guide published by A.M. Best's Company, Oldwick, New Jersey 08858; any bank issuing a Letter of Credit shall have a minimum rating of AA, as rated by Moody's or Standard & Poor's; each entity acting as a surety shall be licensed to do business in California.

(b) Payments under the security instrument shall be required to be made in the County of Orange, State of California.

(c) The security instrument shall reference Company's obligations under this Agreement, shall be irrevocable, and shall include, as an additional obligation secured, the responsibility to compensate OCFA for all of OCFA's reasonable attorneys' fees and litigation expenses reasonably incurred in enforcing its rights under the security instrument.

2. Release of Security Instruments. OCFA shall release or partially release the Faithful Performance Bond or Letter of Credit, *pro rata*, upon Company's written request as and when OCFA receives payment and after acceptance of Company's final payment obligation pursuant to Section 2.

SECTION 4. DEFAULT AND ATTORNEYS' FEES

A. Remedies Not Exclusive

In any case where this Agreement provides a specific remedy to OCFA for breach or default by Company hereunder, such remedy shall be in addition to, and not exclusive of, OCFA's right to pursue any other administrative, legal or equitable remedy to which it may be entitled.

B. Attorneys' Fees and Costs

In the event of any litigation arising out of this Agreement or under any of the Security Instruments referenced herein, the prevailing party in such action, in addition to any other relief, which may be granted, shall be entitled to recover its reasonable attorneys' fees and costs. Such attorneys' fees and costs shall include fees and costs on any appeal, and all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to such litigation or arbitration. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

SECTION 5. GENERAL PROVISIONS

A. Successors and Assigns

This Agreement shall be binding upon all successors and assigns of Company's right, title, and interest in and to the Project Area and any portions thereof.

B. Density and Intensity of Development

The provisions of this Agreement shall be deemed to be in substantial compliance with all City Conditions for this Project. In the event the density or intensity of development for this Project is proposed to be increased, OCFA and Company shall meet and confer and determine whether there should be any modification to this Agreement to provide for additional services, equipment or facilities necessary to serve the Project Area as a result of the approval of any such increase. In the event the parties cannot agree, OCFA shall have the right to protest or contest in any administrative or judicial forum as OCFA deems appropriate any approval of any such increase.

C. Waiver of Rights and Claims

Company agrees and acknowledges that there is an essential nexus between its *pro rata* share and a legitimate governmental interest and that its *pro rata* share is roughly proportional to and reasonably and rationally related to the impacts that will be caused by development of the Project Area.

In consideration of the mutual promises and covenants set forth in this Agreement, Company, its successors and assigns, hereby waives and releases any present or future rights or claims Company, or its successors or assigns may have or possess under Government Code section 66000 et. seq. (as amended) with respect to OCFA's establishment, receipt and use of the fees required to be paid to OCFA under this Agreement so long as OCFA, or its successors in interest, continues to provide fire protection and related services to the Project Area as contemplated by this Agreement.

D. Good Faith Negotiations

Company acknowledges and agrees that OCFA is prepared to conduct a fee study that might result in an increased *pro rata* share to Company. Company desires to avoid the delay and uncertain results of such a study and enters this Agreement in good faith and in consideration for OCFA deferring such a study to a later date.

E. Severability

In the event any portion of this Agreement shall finally be determined by a court of competent jurisdiction to be unlawful, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable laws then in effect.

F. Notices

All written notices pursuant to this Agreement shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be delivered in person or sent certified or registered mail, postage prepaid and addressed as follows:

To: Orange County Fire Authority
Attn: Fire Chief
1 Fire Authority Road
Irvine, CA 92602

To: Brad Termini
27 DBV Owner, LLC
700 Second Street
Encinitas, Ca. 92024

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

WITH COPY TO:
None

All notices provided for herein shall be deemed effective upon receipt if personally served or seventy-two (72) hours after being sent by certified or registered mail, postage prepaid.

G. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior negotiations or agreements between them pertaining to the subject matter hereof.

H. Recordation of Agreement

This Agreement and any amendment shall be recorded in the Official Records of the County of Orange by OCFA with a conformed copy being furnished to Company by OCFA within fifteen (15) days of recordation.

I. Time of the Essence

OCFA and Company agree that time is of the essence with respect to each provision of this Agreement of which time is an element.

J. Exhibits to Agreement

This Agreement includes the following Exhibits, which are attached hereto and made a part hereof:

- Exhibit A - Description of the Project Area
- Exhibit B - Fire Service Impact Fees

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K. Authorized Signatories

Company and its signatories herein covenant and represent that each individual executing this Agreement is a person duly authorized to execute this Agreement for Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

ORANGE COUNTY FIRE AUTHORITY

a California Joint Powers Authority

By: _____ Date: _____
Jeff Bowman, Fire Chief
Orange County Fire Authority

ATTEST:

By: _____ Date: _____
Sherry Wentz
Clerk of the Orange County
Fire Authority

APPROVED AS TO FORM:

DAVID E. KENDIG
GENERAL COUNSEL

By: _____ Date: _____

27 DBV Owner, LLC

By: Brad Termini Date: 11/10/2016
Brad Termini

By: Brad Termini
Name Authorized representative

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT AREA

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE RANCHO BOCA DE LA PLAYA, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 4, PAGES 118 AND 119 OF PATENTS, IN THE OFFICE OF THE LOS ANGELES COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE CALIFORNIA STATE HIGHWAY, AS WIDENED, PER PARCEL 2 OF THE DEED TO THE STATE OF CALIFORNIA RECORDED IN BOOK 11046, PAGE 445 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH THE NORTHWESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 3 IN THE DEED TO CAPISTRANO BEACH COMPANY RECORDED IN BOOK 662, PAGE 156 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 31° 29' 24" EAST ALONG SAID NORTHWESTERLY LINE 486.30 FEET TO THE SOUTHEASTERLY LINE OF DEL OBISPO STREET, 80 FEET WIDE, FORMERLY MCKINLEY AVENUE, AS DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE RECORDED IN BOOK 636, PAGE 363 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 42° 36' 16" EAST ALONG SAID SOUTHEASTERLY LINE 116.92 FEET; THENCE NORTH 35° 52' 01" EAST 5.20 FEET TO THE INTERSECTION OF SAID SOUTHEASTERLY LINE WITH A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY 950.00 FEET MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF VICTORIA AVENUE AS DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE RECORDED IN BOOK 324, PAGE 42 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CENTERLINE BEING ALSO THE SOUTHERLY LINE OF THE PRYOR HOMESTEAD AS DESCRIBED IN THE DECREE RECORDED IN BOOK 7, PAGE 31 OF HOMESTEADS, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES; THENCE SOUTH 68° 54' 35" EAST ALONG SAID PARALLEL LINE 905.06 FEET TO THE NORTHWESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO ORANGE COUNTY FLOOD CONTROL DISTRICT RECORDED IN BOOK 6134, PAGE 78 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 17° 56' 00" WEST ALONG THE WESTERLY LINE OF SAID LAND 274.11 FEET; THENCE NORTH 72° 04' 00" WEST 18.00 FEET; THENCE SOUTH 17° 56' 00" WEST 174.73 FEET TO THE NORTHWESTERLY LINE OF SAID CALIFORNIA STATE HIGHWAY, AS WIDENED, PER PARCEL 1 OF SAID FIRST ABOVE MENTIONED DEED; THENCE SOUTH 54° 15' 57" WEST ALONG SAID NORTHWESTERLY LINE 25.66 FEET TO A POINT IN A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 1450.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS SOUTH 0° 45' 57" WEST; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7° 31' 52" AN ARC DISTANCE OF 190.59 FEET TO THE EASTERLY LINE OF THE LANDS DESCRIBED IN THE DEEDS TO W.J. VAUGHN, ET UX., RECORDED RESPECTIVELY IN BOOK 1820, PAGE 193 OF OFFICIAL RECORDS, BOOK 1603, PAGE 138 OF OFFICIAL RECORDS, AND BOOK 2260, PAGE 485 OF OFFICIAL RECORDS, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 17° 56' 00" EAST ALONG SAID EASTERLY LINE 289.54 FEET; THENCE NORTH 72° 04' 00" WEST 471.00 FEET, THENCE SOUTH 39° 44' 05" WEST 43.08 FEET; THENCE SOUTH 14° 21' 25" WEST 80.15 FEET; THENCE SOUTH 23° 38' 38" WEST 100.50 FEET; THENCE SOUTH 26° 46' 30" WEST 91.08 FEET TO SAID FIRST ABOVE MENTIONED NORTHEASTERLY LINE; THENCE NORTH 72° 04' 00" WEST ALONG SAID NORTHEASTERLY LINE 343.61 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE MOBILE HOMES LOCATED THEREON.

APN(s): 668-271-03; 668-271-04

EXHIBIT B
FIRE SERVICE IMPACT FEES

Dwelling Units	Rate	Obligation
168	\$600	\$ 100,800
Total Units – 168	\$600	<hr/> \$ 100,800

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

COUNTY OF San Diego }

On 11-11-16 before me, Amanda L. Miller Notary Public,

Date

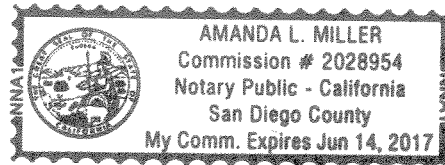
(here insert name and title of the officer)

personally appeared Brad Termini

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: Amanda L. Miller (Seal)

OPTIONAL

Description of Attached Document

Title or Type of Document: Secured Fire Protection Number of Pages: 11+cover

Document Date: 11-11-16 Other: _____



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 3E
Consent Calendar

Initial Budget Adjustment to Replace Losses
Incurred at the Fire Station 61 Fire

Contact(s) for Further Information

Michael Schroder, Assistant Chief michaelschroeder@ocfa.org 714.573.6008
Support Services Department

Lori Zeller, Assistant Chief lorizeller@ocfa.org 714.573.6020
Business Services Department

Summary

This item is submitted to authorize a budget adjustment to start the process of replacing vehicles and equipment losses incurred on Thursday, January 12, 2017, when Fire Station 61 and its contents were lost to fire.

Prior Board/Committee Action

Not applicable.

Recommended Action(s)

1. Approve an initial budget adjustment in the amount of \$3 million to be allocated between the General Fund, and the CIP funds at staff's discretion to be used for the purposes of replacing vehicles and equipment lost at Fire Station 61.
2. Direct staff to return to include any additional budget adjustments required to complete the replacement of losses in the March 2017 Mid-Year Budget Adjustment.

Impact to Cities/County

Service to our member agencies has not been affected.

Fiscal Impact

Approval of this budget adjustment will increase expenditures in FY 2016/17 by \$3 million. An additional budget adjustment to recognize any corresponding revenue/cost recovery for insured losses will be submitted at a later time.

Background

On Thursday, January 12, 2017, Fire Station 61 and its contents were lost to fire. No one was hurt in the blaze; however, the entire complement of vehicles and equipment issued to the station was lost. The cause of the fire is under investigation and is unknown at the time of this report.

While an entire list of equipment and vehicles is still being developed, staff has compiled an immediate asset list as follows: fire truck, swift water rescue vehicle, battalion chief's vehicle, US&R technical rescue truck and related specialty equipment, numerous sets of turnouts, uniforms, personal protective equipment, and breathing apparatus.

The initial list of losses includes vehicles and equipment with particularly long lead times to replace. For example, the lead time to deploy a fire truck is approximately one year from order to the vehicle being placed in service. Because of the length of lead time involved, staff is seeking approval of this initial budget adjustment, so orders to replace these items can be placed as soon as practicable.

Staff has developed a unique accounting code to track all expenditures related to this loss and will be able to report on expenditures on an on-going basis. Staff expects to return in March with a more complete list and an additional budget adjustment, as needed.

Initial Fire Station 61 Replacement List of Vehicles, Equipment, & Services		
<i>Category:</i>	<i>Item:</i>	<i>Cost:</i>
Vehicles	Tractor Drawn Aerial (TDA) Ladder w/ light package	\$1,300,000
	Fire Battalion Chief's Command Suburban w/ light package	\$95,000
	Urban Search & Rescue (US&R) Support Vehicle w/ light package	\$80,000
	Rigid Inflatable US&R Boat (includes "Envirude" motor)	\$19,000
	US&R Boat Trailer	\$2,000
	<i>Total:</i>	\$1,496,000
Vehicle Up-Fit	(3) Vehicles (Includes all communications and data components)	\$100,000
	<i>Total:</i>	\$100,000
Vehicle Equipment	Tractor Drawn Aerial (TDA) Ladder equipment/tool complement	\$157,000
	Self-Contained Breathing Apparatus (SCBA) and accessories	\$39,000
	Multi-Rae "6- Gas" Hazardous Materials Detection Device	\$3,500
	<i>Total:</i>	\$199,500
Emergency Medical Equipment	Medical equipment and re-stock inventory	\$150,000
	<i>Total:</i>	\$150,000
Turnouts	Structural firefighter personal protective equipment (PPE)w/ boots	\$36,000
	<i>Total:</i>	\$36,000
Wildland Boots	Wildland firefighting boots	\$7,500
	<i>Total:</i>	\$7,500
Uniforms	Staff "station" and "field dress" uniforms	\$33,000
	<i>Total:</i>	\$33,000
Air Ops	Flight suits, safety harnesses, ear buds and other related equipment	\$4,700
	<i>Total:</i>	\$4,700
Site Security	24 Hour security guard services (2 months)	\$58,000
	<i>Total:</i>	\$58,000
Site Support	Portable bathrooms, lighting and washing stations	\$4,000
	<i>Total:</i>	\$4,000
Investigation Support	Excavator Rental	\$2,400
	<i>Total:</i>	\$2,400
Incident Support	Meals	\$4,600
	<i>Total:</i>	\$4,600
Temporary Fire Station	Temporary fire station accommodations	\$500,000
	<i>Total:</i>	\$500,000
Total		\$2,595,700

Attachement(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors
January 26, 2017

Agenda Item No. 5A
Discussion Calendar

Board Member Retirement Savings Plan Options

Contact(s) for Further Information

Brigette Gibb, Human Resources Director brigettegibb@ocfa.org 714.573.6353
Human Resources Division

Jim Ruane, Finance Manager/Auditor jimruane@ocfa.org 714.573.6304
Business Services Department

Summary

For Internal Revenue Service (IRS) tax purposes only, Board Members are considered employees and as such the Orange County Fire Authority is required to provide Board Members a retirement savings plan for mandatory enrollment.

Prior Board/Committee Action

Human Resources Committee Recommendation: *TOOK NO ACTION*

At its regular October 3, 2016, meeting, the Human Resources Committee discussed this item and took no reportable action.

RECOMMENDED ACTION(S)

Direct staff to enroll the Board Members into a 457 Omnibus Budget Reconciliation Act (OBRA) mandatory retirement savings plan.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Cost will vary from \$900 - \$9,300 annually based on the option selected and funding source.

Background

Historically, OCFA Board Members have been classified as independent contractors of the OCFA. Legal Counsel has opined that Board Members are public officers in positions which meet five criteria designated by the IRS to be considered employees (not Independent Contractors). The payment of the stipend to Board Members triggers the obligation to enroll in a retirement savings plan. As employees, in addition to enrolling in a retirement savings plan, Board Members will be subject to various federal and state taxes. Three retirement savings plan options are presented on the attachment for Board consideration. Staff recommends the 457(OBRA) deferred compensation plan, due to the low administrative complexity and the ability of each Board Member, upon separation, to immediately receive benefits without penalty.

Attachment(s)

Retirement Savings Plan Options

Orange County Fire Authority

Board of Directors – Retirement Benefit Options

	401(a)	457(OBRA)	Social Security	Forgo Stipend
Plan Type	Tax-Qualified	Deferred Compensation	Federal program of social insurance and benefits	N/A
Contribution Requirement	Minimum of 7.50% of wages (can be split in any fashion between the Board Member and OCFA as long as the minimum percentage level is met)	Minimum of 7.50% of wages (can be split in any fashion between the Board Member and OCFA as long as the minimum percentage level is met)	Mandatory 6.2% Board Member and 6.2% OCFA contribution for a total of 12.4% of wages	Ø
Determination of Benefit Amount	Account Balance based	Account Balance based	Based on index of lifetime earnings	N/A
Vesting	100% immediate vesting of account balance	100% immediate vesting of account balance	Vested upon reaching 40 quarters (approximately 10 years of covered service)	N/A
Subject to Early Withdrawal Penalties Upon Benefit Distribution	Yes, but penalty can be avoided if benefit is rolled over to IRA or eligible retirement plan	No	N/A	N/A
Employer Contributions Subject To employee And Employer Medicare Withholdings	No	Yes	No	N/A
Maximum Contribution Limits as of 2016 (Excluding Catch-Up Provisions)	\$53,000	\$18,000	\$14,694 (based on \$118,500 maximum wage base)	Ø

Orange County Fire Authority

Administrative Complexity/ Costs

	401(a)	457(OBRA)	Social Security	Forgo Stipend
Administration Complexity/ Annual Cost	<p>Requires a new agreement be established with PARS</p> <p>\$6,300 Annual Plan Administrative Cost</p>	<p>Board Member employee could be added to existing OCFA agreement with Nationwide.</p> <p>\$900 Annual Plan Administrative Cost</p>	<p>Requires a new agreement with Social Security</p> <p>Unknown Administrative Cost</p>	<p>Eliminates Stipend</p>
OCFA Contribution Costs	<p>\$0.00 (Employee picks up 100% of required 7.5% contribution)</p> <p>\$3,000.00 (OCFA picks up 100% of required 7.5% contribution)</p>	<p>\$0.00 (Employee picks up 100% of required 7.5% contribution)</p> <p>\$3,000.00 (OCFA picks up 100% of required 7.5% contribution)</p>	<p>Cost for OCFA (Annual) 6.2% = \$2,480</p> <p>Cost for Employee (Annual) 6.2% = \$2,480</p>	<p>Annual Cost Savings of \$40,000.00</p>

*OCFA costs based on FY 2016/17 Budget



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
January 26, 2017

Agenda Item No. 5B
Discussion Calendar

Service Delivery Enhancements – Phase Three

Contact(s) for Further Information

Brian Young, Assistant Chief
Organizational Planning Department

brianyoung@ocfa.org

714.573.6014

Dave Thomas, Assistant Chief
Operations Department

davidthomas@ocfa.org

714.573.6012

Summary

This agenda item is submitted to provide an overview and request approval for the third-phase of “Proposed Emergency Medical Services (EMS) Service Delivery Enhancements” targeted for implementation on March 3, 2017.

Prior Board/Committee Action – Committee Recommendation

Budget and Finance Committee Recommendation: *APPROVE*

At its regular January 11, 2017, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

RECOMMENDED ACTION(S)

1. Direct staff to include funding for the Phase Three enhancements in the Mid-Year Budget Adjustments that will be submitted to the Board in March, at a partial-year cost of \$684,764.
2. Authorize staff to add 12 firefighter positions to the Master Position Control (four post-positions, with three employees per post-position to cover three shifts for 24/7 coverage).

Impact to Cities/County

These enhancements will improve service delivery and enhance firefighter safety. Advanced Life Support (ALS) response times and the number of responding units will be reduced. Additionally, the need for automatic aid support from neighboring agencies will be reduced.

Fiscal Impact

The proposed Phase Three enhancements will convert four paramedic vans to eight paramedic engines (with no added staffing required), and will convert four paramedic assessment engines to paramedic engines (which requires the addition of four firefighter post-positions). A total of 12 new paramedic engines will be added in the cities of Buena Park, Cypress, Laguna Niguel, Los Alamitos, Placentia, San Clemente, Seal Beach, and Tustin. The partial-year cost from March to June 2017 is \$684,764. Beginning in FY 2017/18, the annual cost to OCFA will initially be \$2,126,192; however, cost recovery will be phased-in, with the applicable cash contract cities covering the costs in a phased-manner over multiple years. OCFA costs will be reduced to \$293,948 on an ongoing basis beginning in FY 2021/22 (See Attachment 2 for a description of the phased-in cost share plan).

Background

Conducting a preliminary analysis of field operations is a key goal that was identified by Fire Chief Bowman in his 180-Day Plan and reinforced in the 2015/16 Domain Objectives. Several joint labor/management work groups were created to evaluate field operations. These work groups continually evaluate emergency service delivery. The emergency service deployment work group brought forth these recommended enhancements.

One of the primary objectives identified by the work group was to reduce the number of units that respond to emergency incidents. The current service delivery model of the OCFA occurs in a variety of models. When a medical-related incident is dispatched, the configuration of the involved units determines how many units respond. If the unit is a four-person paramedic engine or paramedic truck, that single unit responds to the incident. If one of the units is a three-person Basic Life Support Unit (BLS) or a Paramedic Assessment Unit (PAU), then a second paramedic unit is required to respond, thereby creating a two unit response. The need to have multiple units respond to a single incident has an impact on resource availability within the OCFA delivery area, as well as neighboring automatic aid agencies.

Buena Park, Cypress, Laguna Niguel, Los Alamitos, Placentia, San Clemente, Seal Beach, and Tustin are the cities where reconfigurations are proposed to be implemented in Phase Three. Based on statistical data, these jurisdictions were recognized as target areas where service delivery could be improved with minor alterations. The proposed service delivery enhancements come in two models. The first is the conversion of four paramedic vans currently staffed with two-firefighter paramedics. This conversion will take the staffing from the four paramedic vans and equally distribute them to create eight paramedic engines. Four additional three-person engines will be staffed with a fourth firefighter. As a result, four additional, paramedic engines are created. In total, phase three will add 12 paramedic engines staffed with four-firefighters. This staffing configuration will allow for a single unit response.

As with the previous service delivery enhancement phases, outcomes will be measured six months of the phase-three enhancements. The intent is to decrease the number of responding units, improve ALS response times, improve unit availability for simultaneous emergencies, and decrease the impact on neighboring jurisdictions.

We will return to the Board in six months with the results of these improvements. At that time, we will also propose the next series of enhancements based upon achieving positive outcomes in phase-three and our ability to maintain fiscal accountability moving forward.

Attachment(s)

1. Phase Three Unit Configuration
2. Phased-In Cost Share Plan - City of Buena Park

Proposed Service Delivery Enhancements - Phase 3

City	Station	Deletion	Addition
Buena Park			
	63	Paramedic Engine 63*	Paramedic Engine 63
Cypress			
	17	BLS Engine 17* Medic 17*	Paramedic Engine 17
Laguna Niguel			
	5	BLS Engine 5* Medic 5*	Paramedic Engine 5
	39	PAU Engine 39*	Paramedic Engine 39
Los Alamitos			
	2	PAU Engine 2*	Paramedic Engine 2
Placentia			
	35	PAU Engine 35*	Paramedic Engine 35
San Clemente			
	50	PAU Engine 50*	Paramedic Engine 50
Seal Beach			
	44	PAU Engine 44*	Paramedic Engine 44
	48	BLS Engine 48* Medic 48*	Paramedic Engine 48
Tustin and TSU			
	8	PAU Engine 8*	Paramedic Engine 8
	21	BLS Engine 21* Medic 21*	Paramedic Engine 21
	37	PAU Engine 37*	Paramedic Engine 37
Total paramedic vans deleted		4 paramedic vans	
Total paramedic engines added			12 paramedic engines
NET GAIN			8 paramedic units

*Require a two unit response

PAU: Paramedic Assessment Unit (3 firefighters, one of whom is a paramedic)

BLS: Basic Life Support (3 firefighters, none are paramedics)

Medic: Paramedic van (2 firefighters, both are paramedics)



ORANGE COUNTY FIRE AUTHORITY

P.O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Road, Irvine, CA 92602

Jeff Bowman, Fire Chief

(714) 573-6000

www.ocfa.org

May 19, 2016

James B. Vanderpool, City Manager
City of Buena Park
6650 Beach Boulevard
Buena Park, CA 90621

Dear Mr. Vanderpool:

RE: Shared Eight-Year Phase-In of Costs for Staffing Enhancement

The Orange County Fire Authority has been discussing proposed staffing enhancements for the City of Buena Park, consistent with staffing enhancements being made throughout our jurisdiction. The proposed enhancement will improve service to the community by decreasing response times and increasing firefighter safety. This can be achieved by adding a fourth firefighter-paramedic on Engine 63. This letter is intended to summarize OCFA's proposal for the shared phase-in of costs for the added position, pending approval by the OCFA Board of Directors.

In order to add a fourth firefighter-paramedic position, OCFA must hire three personnel to fill the position across all three shifts, which provides the required 24/7 personnel coverage. In furtherance of this staffing increase, the OCFA submitted an application to the Federal Emergency Management Agency (FEMA) under their *Staffing for Adequate Fire Emergency Response* (SAFER) grant. The application is pending, and if awarded the SAFER grant would fully fund regular staffing of this position for two years. Upon the end of the two-year grant period, there is no requirement by FEMA to maintain the position.

OCFA is proposing to assist in funding and to phase-in the costs in order to maintain the position beyond the grant period. If a SAFER grant is not received, OCFA will bear the full cost of the added position for the first two years. The proposal will phase-in costs to the City over eight years. In year three, OCFA and the City would share costs with the use of overtime (OT), and finally by year eight, the City would assume the full costs. The cost share between OCFA and the City would be as follows:

Year	OCFA Cost Share		Buena Park Cost Share	
1 and 2	Three regular positions	\$1,330,512	None	
3	Two OT positions	\$299,410	One OT position	\$149,705
4	One OT position	\$149,705	Two OT positions	\$299,410
5	None		Three OT positions	\$449,115
6	None		Two OT, one regular position	\$521,162
7	None		One OT, two regular positions	\$593,209
8	None		Three regular positions	\$665,256
Total *	OCFA	\$1,779,627	Buena Park	\$2,677,857

* Costs based on current salary/benefits and do not reflect future increases that may occur.

Serving the Cities of: Aliso Viejo • Buena Park • Cypress • Dana Point • Irvine • Laguna Hills • Laguna Niguel • Laguna Woods • Lake Forest • La Palma
Los Alamitos • Mission Viejo • Placentia • Rancho Santa Margarita • San Clemente • San Juan Capistrano • Santa Ana • Seal Beach • Stanton • Tustin • Villa Park
Westminster • Yorba Linda • and Unincorporated Areas of Orange County

RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES

James B. Vanderpool, City Manager
May 19, 2016
Page 2 of 2

This model would be placed into effect once we are informed about the status of OCFA's SAFER application, and have received OCFA Board approval.

If you have any questions, you may contact Dave Steffen, Division Chief, at (714) 527-0537 or Lori Zeller, Assistant Chief/Business Services, at (714) 573-6020.

Sincerely,



Jeff Bowman
Fire Chief

cc: Elizabeth Swift, Council Member, City of Buena Park
Lori Zeller, OCFA Assistant Chief/Business Services
Dave Steffen, OCFA Division Chief
Aaron France, Assistant to City Manager, City of Buena Park
Sung Hyun, Director of Finance, City of Buena Park