



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, May 8, 2013

12:00 Noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Al Murray, Chair

Elizabeth Swift, Vice Chair

Sam Allevato Trish Kelley Randal Bressette Jerry McCloskey Steven Weinberg

Bruce Channing - Ex Officio

Unless legally privileged, all supporting documentation and any writings or documents provided to a majority of the Budget and Finance Committee after the posting of this agenda, which relate to any item on this agenda will be made available for public review in the office of the Clerk of the Authority located on the 2nd floor of the OCFA Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602, during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Thursday, and every other Friday, (714) 573-6040. In addition, unless legally privileged, all supporting documentation and any such writings or documents will be available online at <http://www.ocfa.org>.

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. Supporting documents, including staff reports, are available for review at the Orange County Fire Authority Regional Fire Operations and 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 Friday from 8:00 a.m. to 5:00 p.m.

If you wish to speak before the Budget and Finance Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority. Speaker Forms are available on the counter noted in the meeting room.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Allevato

ROLL CALL

PUBLIC COMMENTS

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

MINUTES**1. Minutes for the April 10, 2013, Budget and Finance Committee Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

CONSENT CALENDAR**2. Monthly Investment Report**

Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

3. Monthly Status Update – Orange County Employees' Retirement System

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

Recommended Action:

Receive and file the report.

4. Third Quarter Financial Newsletter – January to March 2013

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

Recommended Action:

Review the proposed agenda item and direct staff to place this item on the agenda for the Executive Committee meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

5. Grant Award Acceptance

Submitted by: Brian Stephens, Assistant Chief/Support Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors accept California Fire Safe Council grant and direct staff to increase the FY 2013/14 General Fund (Fund 121) budget by \$158,064 in revenue and \$33,000 in appropriations.

DISCUSSION CALENDAR**6. Rosenow Spevacek Group, Inc. (RSG) Final Property Tax Revenue Projections**

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

Recommended Action:

Receive and file the report.

7. Review of the 2013/14 Draft Proposed Budget

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Adopt the submitted 2013/14 Proposed Budget.
2. Authorize an additional 2012/13 mid-year budget adjustment to decrease appropriations in Fund 124 by \$5,231,152.
3. Direct staff to delete the non-safety position of WEFIT Program Coordinator.
4. Approve and authorize the temporary transfer of funds, currently estimated at \$35 million, from the CIP funds to the General Fund for projected cash flow timing deficits, as well as repayment, with interest, prior to the end of 2013/14.

8. Approval of the Updated OCFA Advanced Life Support (ALS) Paramedic and Basic Life Support (BLS) Medical Supplies Reimbursement Rates

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Upon approval of the proposed increase to the maximum BLS emergency 9-1-1 transportation billing rate by the Orange County Board of Supervisors, authorize staff to increase OCFA's Advanced Life Support (ALS) and Basic Life Support (BLS) Medical Supply reimbursement rates by the same percentage increase effective on or after May 24, 2013.

9. Updated Cost Reimbursement Rates and Methodologies
Submitted by: Lori Zeller, Assistant Chief, Business Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee’s recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Adopt the proposed Cost Reimbursement Rate schedules effective July 1, 2013.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, June 12, 2013, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby and front gate public display case 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 2nd day of May 2013.

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

UPCOMING MEETINGS:

| | |
|--------------------------------------|--------------------------------------|
| Claims Settlement Committee Meeting | Thursday, May 23, 2013, 5:30 p.m. |
| Executive Committee Meeting | Thursday, May 23, 2013, 6:00 p.m. |
| Board of Directors Meeting | Thursday, May 23, 2013, 6:30 p.m. |
| Budget and Finance Committee Meeting | Wednesday, June 12, 2013, 12:00 noon |

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting
Wednesday, April 10, 2013
12:00 Noon

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on April 10, 2013, at 12:03 p.m. by Chairman Al Murray.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Sam Allevato, San Juan Capistrano
Randal Bressette, Laguna Hills
Trish Kelley, Mission Viejo
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Elizabeth Swift, Buena Park
Steven Weinberg, Dana Point

Absent: None

Also present were:

| | |
|---------------------------------|-------------------------------------|
| Assistant Chief Lori Zeller | General Counsel David Kendig |
| Assistant Chief Laura Blaul | Assistant Chief Dave Thomas |
| Assistant Chief Brian Stephens | Clerk of the Authority Sherry Wentz |
| Lydia Slivkoff, Assistant Clerk | |

PUBLIC COMMENTS (F: 12.02B3)

Chairman Murray opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, commented on his continued concerns regarding the hazardous materials inspection audit.

Chairman Murray closed the Public Comments portion of the meeting.

MINUTES

1. Minutes for the March 13, 2013, Budget and Finance Committee Meeting (F: 12.02B2)

On motion of Vice Chair Swift and second by Director Kelley, the Committee voted unanimously to approve the minutes as submitted.

CONSENT CALENDAR

2. Quarterly Status Update – Orange County Employees’ Retirement System (F: 17.06B)

On motion of Chair Murray and second by Director Bressette, the Committee voted unanimously to receive and file the report, and directed staff to re-initiate provision of monthly updates.

DISCUSSION CALENDAR

3. Monthly Investment Report (F: 11.10D2)

Treasurer Tricia Jakubiak introduced Girard Miller, OCERS Chief Investment Officer, who provided a PowerPoint presentation on the OCERS investment portfolio.

On motion of Director Bressette and second by Director Allevato, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of May 23, 2013, with the Budget and Finance Committee’s recommendation that the Executive Committee receive and file the report.

4. OCERS’ Proposed Actuarial Funding Policy (F: 17.06C)

Assistant Chief Lori Zeller provided a PowerPoint review of OCERS’ proposed actuarial funding policy considerations, and introduced Andy Yeung from the OCERS’ actuarial firm, The Segal Company, who provided a PowerPoint presentation on the OCERS Actuarial Funding Policy.

Director Bressette left at this point (1:07 p.m.)

Directors Allevato and Kelley left at this point (1:40 p.m.)

On motion of Director Weinberg and second by Director McCloskey, the Committee voted unanimously to directed staff to communicate the following desired outcomes to OCERS for consideration at the upcoming April 15, 2013 meeting:

Priority #1: Make no changes to existing actuarial funding policies. Preserve the current flexibility for OCERS' plan sponsors to expedite payment of their Unfunded Actuarial Accrued Liability on a voluntary basis, if desired.

Priority #2: Consider a hybrid of other options, such as those presented by the Association of the Orange County Sheriff's Department, and take more time to research options before making a final decision.

Priority #3: If a policy change will be made immediately by the OCERS Board from the three alternatives outlined by The Segal Company, then support proposed Alternative #3.

5. Hazardous Materials Emergency Response Subscription Service (F: 18.11F)

On motion of Director Weinberg and second by Director Allevato, the Committee voted unanimously to direct staff to place this item on the agenda for the Board of Directors' meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Approve and authorize the implementation of a Hazardous Materials Emergency Response subscription service for non-OCFA cities within the Orange County Operational Area, using the "fair-share" subscription cost methodology based on population and assessed value.
2. Approve the submitted Subscriber Contract as to form, and authorize the Fire Chief to execute these contracts with any non-OCFA cities that choose to subscribe for Hazardous Materials Emergency Response Services from OCFA.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

No comments were received.

ADJOURNMENT – Chairman Murray adjourned the meeting at 2:15 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, May 8, 2013, at 12:00 noon.

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

CONSENT CALENDAR - AGENDA ITEM NO. 2
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer

SUBJECT: **Monthly Investment Report**

Summary:

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

Background:

Attached is the final monthly investment report for the month ended March 31, 2013. A preliminary investment report as of April 19, 2013, is also provided as the most complete report that was available at the time this agenda item was prepared.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

Patricia Jakubiak, Treasurer

Triciajakubiak@ocfa.org

(714) 573-6301

Attachment:

Final Investment Report – March 2013/Preliminary Report – April 2013

Orange County Fire Authority Monthly Investment Report



Final Report – March 2013

Preliminary Report – April 2013



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Orange County Fire Authority

Final Investment Report

March 31, 2013



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of March 2013, the size of the portfolio decreased from \$115.6 million to \$112.1 million. Major receipts for the month included the fifth apportionment of secured property taxes for \$1.4 million and the third quarterly cash contract payments totaling \$12.5 million. Significant disbursements for the month included primarily biweekly payrolls, although there were three pay periods in March instead of the typical two per month. The portfolio's balance is expected to increase significantly in the following month as the next major property tax receipt is scheduled in April.

In March, the portfolio's yield to maturity (365-day equivalent) increased by 6 basis points to 0.34%. The effective rate of return increased by 3 basis points to 0.34% for the month but continued to stay unchanged at 0.31% for the fiscal year to date. The average maturity of the portfolio lengthened by 172 days to 318 days to maturity.

Economic News

The U.S. economic activity pulled back noticeably in March 2013. Employment conditions reversed from the prior month showing a much weaker gain than expected. There were a total of 88,000 new jobs added in March while a consensus had an expected increase of over 200,000 new jobs for the month. The unemployment rate edged down slightly by a notch to 7.6% from 7.7% previously. However, the decline was primarily caused by an increase in the number of "discouraged" workers and a significant drop in the labor force. While the University of Michigan Consumer Sentiment continued to show improvement in March, the Conference Board Consumer Confidence measure dropped significantly. Also in contrast to the prior month, both retail sales and durable goods orders dropped more than expected. Manufacturing and non-manufacturing activity also reversed in March declining slightly. Industrial production, on the other hand, showed a slight increase of 0.4%. Energy prices dropped noticeably in March keeping the CPI (Consumer Price Index) lower than expected for the month. The NFIB (National Federation of Independent Business) small business optimism index declined in March after three consecutive gains. Housing activity remained mixed and slow, despite recent improvements.



BENCHMARK COMPARISON AS OF MARCH 31, 2013

| | |
|------------------------------|-----------------------------|
| <i>3 Month T-Bill:</i> 0.09% | <i>1 Year T-Bill:</i> 0.15% |
| <i>6 Month T-Bill:</i> 0.11% | <i>LAIF:</i> 0.29% |
| <i>OCFA Portfolio:</i> 0.34% | |

PORTFOLIO SIZE, YIELD, & DURATION

| | <u><i>Current Month</i></u> | <u><i>Prior Month</i></u> | <u><i>Prior Year</i></u> |
|------------------------------------|-----------------------------|---------------------------|--------------------------|
| <i>Book Value-</i> | \$112,134,051 | \$115,577,530 | \$105,453,850 |
| <i>Yield to Maturity (365 day)</i> | 0.34% | 0.28% | 0.45% |
| <i>Effective Rate of Return</i> | 0.34% | 0.31% | 0.38% |
| <i>Days to Maturity</i> | 318 | 146 | 431 |



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
March 31, 2013

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

(See Note 1 on page 9)

(See Note 2 on page 9)

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM/C 360 Equiv. | YTM/C 365 Equiv. |
|--|------------------------------------|-----------------------|-----------------------|----------------|------------|------------------|------------------|------------------|
| Money Mkt Mutual Funds/Cash | 5,001,068.89 | 5,001,068.89 | 5,001,068.89 | 4.43 | 1 | 1 | 0.001 | 0.001 |
| Commercial Paper Disc. -Amortizing | 7,000,000.00 | 6,999,650.00 | 6,999,850.28 | 6.19 | 79 | 11 | 0.070 | 0.071 |
| Federal Agency Coupon Securities | 42,000,000.00 | 42,013,170.00 | 42,011,208.99 | 37.17 | 1,306 | 840 | 0.537 | 0.545 |
| Federal Agency Disc. -Amortizing | 9,000,000.00 | 8,999,370.00 | 8,998,807.50 | 7.96 | 155 | 53 | 0.090 | 0.091 |
| Local Agency Investment Funds | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | 44.24 | 1 | 1 | 0.281 | 0.285 |
| Investments | 113,001,068.89 | 113,064,188.89 | 113,010,935.66 | 100.00% | 503 | 318 | 0.336 | 0.340 |
| Cash and Accrued Interest | | | | | | | | |
| Passbook/Checking (not included in yield calculations) | (See Note 4 on page 9) -972,474.01 | -972,474.01 | -972,474.01 | | 0 | 0 | 0.000 | 0.000 |
| Accrued Interest at Purchase | | 11,503.33 | 11,503.33 | | | | | |
| Subtotal | | -960,970.68 | -960,970.68 | | | | | |
| Total Cash and Investments | 112,028,594.88 | 112,103,218.21 | 112,049,964.98 | | 503 | 318 | 0.336 | 0.340 |

Page 4

| Total Earnings | March 31 Month Ending | Fiscal Year To Date |
|--------------------------|-----------------------|---------------------|
| Current Year | 33,093.14 | 278,406.75 |
| Average Daily Balance | 114,674,837.75 | 118,058,777.35 |
| Effective Rate of Return | 0.34% | 0.31% |

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2013. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak 4/5/13
 Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

| | | |
|---|-----------|-----------------------|
| Book Value of Cash & Investments before GASB 31 (Above) | \$ | 112,049,964.98 |
| GASB 31 Adjustment to Books (See Note 3 on page 9) | \$ | 84,085.98 |
| Total | \$ | 112,134,050.96 |

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
March 31, 2013

(See Note 1 on page 9)

(See Note 2 on page 9)

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM/C 365 | Days to Maturity | Maturity Date |
|---|--------------|---|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-------------|--------------|------------------|---------------|
| Money Mkt Mutual Funds/Cash | | | | | | | | | | | |
| SYS528 | 528 | High Mark 100% US Treasury MMF | | (See Note 4 on page 9) | 5,001,068.89 | 5,001,068.89 | 5,001,068.89 | 0.001 | 0.001 | 1 | |
| | | Subtotal and Average | 8,018,199.48 | | 5,001,068.89 | 5,001,068.89 | 5,001,068.89 | | 0.001 | 1 | |
| Commercial Paper Disc. -Amortizing | | | | | | | | | | | |
| 36959HRC3 | 802 | GEN ELEC CAP CRP | | 01/23/2013 | 7,000,000.00 | 6,999,650.00 | 6,999,850.28 | 0.070 | 0.071 | 11 | 04/12/2013 |
| | | Subtotal and Average | 6,999,646.11 | | 7,000,000.00 | 6,999,650.00 | 6,999,850.28 | | 0.071 | 11 | |
| Federal Agency Coupon Securities | | | | | | | | | | | |
| 3133ECBT0 | 799 | Federal Farm Credit Bank (Callable anytime) | | 12/26/2012 | 9,000,000.00 | 8,000,180.00 | 9,000,000.00 | 0.375 | 0.375 | 816 | 06/26/2015 |
| 3133804V6 | 787 | Fed Home Loan Bank (Callable anytime) | | 08/09/2012 | 6,000,000.00 | 6,000,480.00 | 6,000,000.00 | 1.000 | 0.981 | 1,591 | 08/09/2017 |
| 313380B22 | 788 | Fed Home Loan Bank (Callable anytime) | | 08/20/2012 | 6,000,000.00 | 6,000,120.00 | 6,000,000.00 | 0.450 | 0.440 | 871 | 08/20/2015 |
| 3133813R4 | 800 | Fed Home Loan Bank (Callable on 5/9/13) | | 12/20/2012 | 9,000,000.00 | 9,009,630.00 | 9,013,573.17 | 1.000 | 0.584 | 38 | 11/09/2017 |
| 313382DC4 | 803 | Fed Home Loan Bank (Callable 6/7/13) | | 03/15/2013 | 12,000,000.00 | 12,002,760.00 | 11,997,635.82 | 0.470 | 0.477 | 1,071 | 03/07/2016 |
| | | Subtotal and Average | 36,593,028.05 | | 42,000,000.00 | 42,013,170.00 | 42,011,208.99 | | 0.545 | 840 | |
| Federal Agency Disc. -Amortizing | | | | | | | | | | | |
| 313397FZ9 | 798 | Freddie Mac | | 12/20/2012 | 9,000,000.00 | 8,999,370.00 | 8,998,807.50 | 0.090 | 0.091 | 53 | 05/24/2013 |
| | | Subtotal and Average | 13,062,964.11 | | 9,000,000.00 | 8,999,370.00 | 8,998,807.50 | | 0.091 | 53 | |
| Local Agency Investment Funds | | | | | | | | | | | |
| SYS336 | 336 | Local Agency Invstmt Fund | | | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | 0.285 | 0.285 | 1 | |
| | | Subtotal and Average | 50,000,000.00 | | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | | 0.285 | 1 | |
| | | Total and Average | 114,674,837.75 | | 113,001,068.89 | 113,064,188.89 | 113,010,935.66 | | 0.340 | 318 | |

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
March 31, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM/C 365 | Days to Maturity |
|------------------------------------|--------------|-----------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|--------------|------------------|
| Money Mkt Mutual Funds/Cash | | | | | | | | | | |
| SYS10104 | 10104 | American Benefit Plan Admin | | 07/01/2012 | 15,000.00 | 15,000.00 | 15,000.00 | | 0.000 | 1 |
| SYS10033 | 10033 | Revolving Fund | | 07/01/2012 | 20,000.00 | 20,000.00 | 20,000.00 | | 0.000 | 1 |
| SYS4 | 4 | Union Bank of California | | 07/01/2012 | -1,257,474.01 | -1,257,474.01 | -1,257,474.01 | (See Note 4 on page 9) | 0.000 | 1 |
| SYS361 | 361 | YORK | | 07/01/2012 | 250,000.00 | 250,000.00 | 250,000.00 | | 0.000 | 1 |
| Average Balance | | | 0.00 | Accrued Interest at Purchase | | 11,503.33 | 11,503.33 | | | 0 |
| | | | | Subtotal | | -960,970.68 | -960,970.68 | | | |
| Total Cash and Investments | | | 114,674,837.75 | | 112,028,594.88 | 112,103,218.21 | 112,049,964.98 | | 0.340 | 318 |

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of April 1, 2013

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

| | | | | Maturity Par Value | Percent of Portfolio | Current Book Value | Current Market Value | |
|------------------|---------------------|-----------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Aging Interval: | 0 days | (04/01/2013 - 04/01/2013) | 6 Maturities | 0 Payments | 54,028,594.88 | 48.23% | 54,028,594.88 | 54,079,524.88 |
| Aging Interval: | 1 - 30 days | (04/02/2013 - 05/01/2013) | 1 Maturities | 0 Payments | 7,000,000.00 | 6.25% | 6,999,850.28 | 6,999,650.00 |
| Aging Interval: | 31 - 60 days | (05/02/2013 - 05/31/2013) | 1 Maturities | 0 Payments | 9,000,000.00 | 8.03% | 8,998,807.50 | 8,999,370.00 |
| Aging Interval: | 61 - 91 days | (06/01/2013 - 07/01/2013) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 92 - 121 days | (07/02/2013 - 07/31/2013) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 122 - 152 days | (08/01/2013 - 08/31/2013) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 153 - 183 days | (09/01/2013 - 10/01/2013) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 184 - 274 days | (10/02/2013 - 12/31/2013) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 275 - 365 days | (01/01/2014 - 04/01/2014) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 366 - 1095 days | (04/02/2014 - 03/31/2016) | 3 Maturities | 0 Payments | 27,000,000.00 | 24.10% | 26,997,635.82 | 27,003,060.00 |
| Aging Interval: | 1096 - 1825 days | (04/01/2016 - 03/31/2018) | 2 Maturities | 0 Payments | 15,000,000.00 | 13.39% | 15,013,573.17 | 15,010,110.00 |
| Aging Interval: | 1826 days and after | (04/01/2018 -) | 0 Maturities | 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Total for | | | 13 Investments | 0 Payments | | 100.00 | 112,038,461.65 | 112,091,714.88 |



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2012 includes an increase of \$60,965 to the LAIF investment and an increase of \$23,121 to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



Local Agency Investment Fund (LAIF)

As of March 31, 2013, OCFA has \$50,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2013 is 1.0010186. When applied to OCFA's LAIF investment, the fair value is \$50,050,930 or \$50,930 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at March 31, 2013 is included on the following page.

**State of California
Pooled Money Investment Account
Market Valuation
3/31/2013**

| Description | Carrying Cost Plus Accrued Interest Purch. | Amortized Cost | Fair Value | Accrued Interest |
|--------------------------------|---|-----------------------------|-----------------------------|-------------------------|
| United States Treasury: | | | | |
| Bills | \$ 21,165,387,450.46 | \$ 21,181,217,814.80 | \$ 21,185,525,200.00 | NA |
| Notes | \$ 14,733,699,502.59 | \$ 14,733,469,530.25 | \$ 14,770,548,500.00 | \$ 16,932,798.50 |
| Federal Agency: | | | | |
| SBA | \$ 524,324,861.45 | \$ 524,322,142.49 | \$ 523,724,167.09 | \$ 531,099.13 |
| MBS-REMICs | \$ 222,646,880.61 | \$ 222,646,880.61 | \$ 241,956,434.99 | \$ 1,064,470.37 |
| Debentures | \$ 1,050,241,287.46 | \$ 1,050,238,537.46 | \$ 1,050,972,000.00 | \$ 1,745,946.00 |
| Debentures FR | \$ - | \$ - | \$ - | \$ - |
| Discount Notes | \$ 6,193,549,777.78 | \$ 6,197,864,972.34 | \$ 6,199,101,000.00 | NA |
| GNMA | \$ 1,353.93 | \$ 1,353.93 | \$ 1,365.19 | \$ 14.06 |
| IBRD Debenture | \$ 399,971,694.00 | \$ 399,971,694.00 | \$ 400,828,000.00 | \$ 583,332.00 |
| IBRD Deb FR | \$ - | \$ - | \$ - | |
| CDs and YCDs FR | \$ 400,000,000.00 | \$ 400,000,000.00 | \$ 400,000,000.00 | \$ 254,511.11 |
| Bank Notes | \$ - | \$ - | \$ - | \$ - |
| CDs and YCDs | \$ 5,650,034,759.91 | \$ 5,650,016,843.25 | \$ 5,647,574,286.13 | \$ 1,747,444.45 |
| Commercial Paper | \$ 3,349,197,409.73 | \$ 3,349,593,979.26 | \$ 3,348,966,798.61 | NA |
| Corporate: | | | | |
| Bonds FR | \$ - | \$ - | \$ - | \$ - |
| Bonds | \$ - | \$ - | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - | \$ - | \$ - |
| Reverse Repurchase | \$ - | \$ - | \$ - | \$ - |
| Time Deposits | \$ 4,339,640,000.00 | \$ 4,339,640,000.00 | \$ 4,339,640,000.00 | NA |
| AB 55 & GF Loans | \$ 712,079,191.43 | \$ 712,079,191.43 | \$ 712,079,191.43 | NA |
| TOTAL | \$ 58,740,774,169.35 | \$ 58,761,062,939.82 | \$ 58,820,916,943.44 | \$ 22,859,615.62 |

Fair Value Including Accrued Interest

\$ 58,843,776,559.06

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

The value of each participating dollar equals the fair value divided by the amortized cost (1.0010186).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,020,371.99 or \$20,000,000.00 x 1.0010186.



Orange County Fire Authority
Preliminary Investment Report
April 19, 2013



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
April 19, 2013

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

(See Note 1 on page 18)

(See Note 2 on page 18)

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM/C 360 Equiv. | YTM/C 365 Equiv. |
|---|-----------------------|-----------------------|-----------------------|----------------|------------|------------------|------------------|------------------|
| Money Mkt Mutual Funds/Cash | 3,504,083.78 | 3,504,083.78 | 3,504,083.78 | 3.35 | 1 | 1 | 0.001 | 0.001 |
| Federal Agency Coupon Securities | 42,000,000.00 | 42,008,580.00 | 42,011,095.98 | 40.20 | 1,306 | 821 | 0.537 | 0.545 |
| Federal Agency Disc. -Amortizing | 9,000,000.00 | 8,999,730.00 | 8,999,235.00 | 8.81 | 155 | 34 | 0.090 | 0.091 |
| Local Agency Investment Funds | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | 47.84 | 1 | 1 | 0.281 | 0.285 |
| | 104,504,083.78 | 104,563,323.78 | 104,514,414.76 | 100.00% | 539 | 334 | 0.358 | 0.363 |
| Investments | | | | | | | | |
| Cash and Accrued Interest | | | | | | | | |
| Passbook/Checking (not included in yield calculations) | 906,529.91 | 906,529.91 | 906,529.91 | | 1 | 1 | 0.000 | 0.000 |
| Accrued Interest at Purchase | | 11,503.33 | 11,503.33 | | | | | |
| Subtotal | | 918,033.24 | 918,033.24 | | | | | |
| Total Cash and Investments | 105,410,613.69 | 105,481,357.02 | 105,432,448.00 | | 539 | 334 | 0.358 | 0.363 |

| | April 19 Month Ending | Fiscal Year To Date |
|--------------------------|-----------------------|---------------------|
| Total Earnings | | |
| Current Year | 21,983.70 | 300,390.45 |
| Average Daily Balance | 109,640,293.41 | 117,512,868.83 |
| Effective Rate of Return | 0.39% | 0.32% |

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2013. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."


 Patricia Jakubiak, Treasurer

4/26/13

Cash and Investments with GASB 31 Adjustment:

| | |
|---|--------------------------|
| Book Value of Cash & Investments before GASB 31 (Above) | \$ 105,432,448.00 |
| GASB 31 Adjustment to Books (See Note 3 on page 18) | \$ 84,085.98 |
| Total | \$ 105,516,533.98 |

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
April 19, 2013

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

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM/C 365 | Days to Maturity | Maturity Date |
|---|--------------|---|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|--------------|------------------|---------------|
| Money Mkt Mutual Funds/Cash | | | | | | | | | | | |
| SYS528 | 528 | High Mark 100% US Treasury MMF | | | 3,504,083.78 | 3,504,083.78 | 3,504,083.78 | 0.001 | 0.001 | 1 | |
| Subtotal and Average | | | 4,573,853.43 | | 3,504,083.78 | 3,504,083.78 | 3,504,083.78 | | 0.001 | 1 | |
| Commercial Paper Disc. -Amortizing | | | | | | | | | | | |
| Subtotal and Average | | | 4,052,592.18 | | | | | | | | |
| Federal Agency Coupon Securities | | | | | | | | | | | |
| 3133ECBT0 | 799 | Federal Farm Credit Bank (Callable anytime) | | 12/26/2012 | 9,000,000.00 | 9,000,090.00 | 9,000,000.00 | 0.375 | 0.375 | 797 | 06/26/2015 |
| 3133804V6 | 787 | Fed Home Loan Bank (Callable anytime) | | 08/09/2012 | 6,000,000.00 | 6,000,300.00 | 6,000,000.00 | 1.000 | 0.981 | 1,572 | 08/09/2017 |
| 313380B22 | 788 | Fed Home Loan Bank (Callable anytime) | | 08/20/2012 | 6,000,000.00 | 6,000,120.00 | 6,000,000.00 | 0.450 | 0.440 | 852 | 08/20/2015 |
| 3133813R4 | 800 | Fed Home Loan Bank (Callable on 5/9/13) | | 12/20/2012 | 9,000,000.00 | 9,004,230.00 | 9,013,417.62 | 1.000 | 0.584 | 19 | 11/09/2017 |
| 313382DC4 | 803 | Fed Home Loan Bank (Callable on 6/7/13) | | 03/15/2013 | 12,000,000.00 | 12,003,840.00 | 11,997,678.36 | 0.470 | 0.477 | 1,052 | 03/07/2016 |
| Subtotal and Average | | | 42,011,149.51 | | 42,000,000.00 | 42,008,680.00 | 42,011,095.98 | | 0.545 | 821 | |
| Federal Agency Disc. -Amortizing | | | | | | | | | | | |
| 313397FZ9 | 798 | Freddie Mac | | 12/20/2012 | 9,000,000.00 | 8,999,730.00 | 8,999,235.00 | 0.090 | 0.091 | 34 | 05/24/2013 |
| Subtotal and Average | | | 8,999,032.50 | | 9,000,000.00 | 8,999,730.00 | 8,999,235.00 | | 0.091 | 34 | |
| Local Agency Investment Funds | | | | | | | | | | | |
| SYS336 | 338 | Local Agency Invstmt Fund | | | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | 0.285 | 0.285 | 1 | |
| Subtotal and Average | | | 50,003,665.78 | | 50,000,000.00 | 50,050,930.00 | 50,000,000.00 | | 0.285 | 1 | |
| Total and Average | | | 109,640,293.41 | | 104,504,083.78 | 104,563,323.78 | 104,514,414.76 | | 0.363 | 334 | |

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
April 19, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM/C 365 | Days to Maturity |
|------------------------------------|--------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|-------------|--------------|------------------|
| Money Mkt Mutual Funds/Cash | | | | | | | | | | |
| SYS10104 | 10104 | American Benefit Plan Admin | | 07/01/2012 | 15,000.00 | 15,000.00 | 15,000.00 | | 0.000 | 1 |
| SYS10033 | 10033 | Revolving Fund | | 07/01/2012 | 20,000.00 | 20,000.00 | 20,000.00 | | 0.000 | 1 |
| SYS4 | 4 | Union Bank of California | | 07/01/2012 | 621,529.91 | 621,529.91 | 621,529.91 | | 0.000 | 1 |
| SYS361 | 361 | YORK | | 07/01/2012 | 250,000.00 | 250,000.00 | 250,000.00 | | 0.000 | 1 |
| | | Average Balance | 0.00 | Accrued Interest at Purchase | | 11,503.33 | 11,503.33 | | | 1 |
| | | | | Subtotal | | 918,033.24 | 918,033.24 | | | |
| | | Total Cash and Investmentss | 109,640,293.41 | | 105,410,613.69 | 105,481,357.02 | 105,432,448.00 | | 0.363 | 334 |

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**ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of April 20, 2013**

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

| | | | | Maturity Par Value | Percent of Portfolio | Current Book Value | Current Market Value |
|------------------|---------------------|-----------------------------|----------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| Aging Interval: | 0 days | (04/20/2013 - 04/20/2013) | 6 Maturities 0 Payments | 54,410,613.89 | 51.62% | 54,410,613.89 | 54,461,543.69 |
| Aging Interval: | 1 - 30 days | (04/21/2013 - 05/20/2013) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 31 - 60 days | (05/21/2013 - 06/19/2013) | 1 Maturities 0 Payments | 9,000,000.00 | 8.54% | 8,999,235.00 | 8,999,730.00 |
| Aging Interval: | 61 - 91 days | (06/20/2013 - 07/20/2013) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 92 - 121 days | (07/21/2013 - 08/19/2013) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 122 - 152 days | (08/20/2013 - 09/19/2013) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 153 - 183 days | (09/20/2013 - 10/20/2013) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 184 - 274 days | (10/21/2013 - 01/19/2014) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 275 - 365 days | (01/20/2014 - 04/20/2014) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Aging Interval: | 366 - 1095 days | (04/21/2014 - 04/19/2016) | 3 Maturities 0 Payments | 27,000,000.00 | 25.61% * | 26,997,678.36 | 27,004,050.00 |
| Aging Interval: | 1096 - 1825 days | (04/20/2016 - 04/19/2018) | 2 Maturities 0 Payments | 15,000,000.00 | 14.23% | 15,013,417.62 | 15,004,530.00 |
| Aging Interval: | 1826 days and after | (04/20/2018 -) | 0 Maturities 0 Payments | 0.00 | 0.00% | 0.00 | 0.00 |
| Total for | | | 12 Investments 0 Payments | | 100.00 | 105,420,944.67 | 105,469,853.69 |

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*The Investment Policy calls for this category not to exceed 25% of the Portfolio. This excess in the ratio was caused by a maturity of an investment in April resulting in higher percentages for the remaining categories as the portfolio balance decreased.



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2012 includes an increase of \$60,965 to the LAIF investment and an increase of \$23,121 to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

**CONSENT CALENDAR – AGENDA ITEM NO. 3
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013**

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Monthly Status Update - Orange County Employees' Retirement System**

Summary:

This agenda item is submitted to provide a status update regarding steps taken during April 2013, to improve the Orange County Employees' Retirement System's (OCERS) financial policies, procedures, and practices. At the April 10, 2013, Budget and Finance Committee meeting, the Committee requested that staff resume monthly updates on OCERS instead of quarterly.

Recommended Action:

Receive and file the report.

Background:

In 2010 and 2011, accounting issues were identified at OCERS impacting actuarial calculations of the value of assets and liabilities attributable to the various plan sponsors. The total accounting values at OCERS were correct, but the attribution of values to individual plan sponsors required adjustment. A large amount of work was performed by OCERS and plan sponsor staff members to correct the issues, and ongoing improvement plans were established by OCERS. Following these events, the OCFA's Budget and Finance Committee directed OCFA staff to provide routine updates to the Committee regarding financial activities occurring at OCERS.

Actions Taken/Financial Policies & Practices – April 2013

| | |
|-------------|--|
| April 15 | <p>Below are the key items discussed at each of the meetings.</p> <p><i>OCERS BOARD OF RETIREMENT:</i></p> <p>REVIEW OF ACTUARIAL FUNDING POLICY With upcoming changes to public pension plan reporting requirements coming into effect next year with the implementation of GASB (Governmental Accounting Standards Board) 67, it became necessary for OCERS to pull its existing actuarial funding policy together into a single policy document. Given that requirement, OCERS' actuary, The Segal Company, took the opportunity to review current policy and recommend some modifications.</p> <p>The Segal Company finds that the majority of OCERS current funding policies are well within the scope of model practices, and Segal is making only minor change recommendations. One of the key modifications Segal is recommending is that OCERS change how long it amortizes its unfunded liabilities. Similar to a home mortgage, an amortization period determines how long it is going to take for a contracting employer at OCERS to pay off its unfunded liabilities. Presently OCERS uses 30 years to amortize or pay off any liability that may occur due to an assumption change. If, for example, OCERS assumed members would live another 30 years after retirement, but experience turns out to be different, it would have to change that assumption which would cause an increase in liability to the fund because OCERS had not</p> |
|-------------|--|

been collecting enough in contributions up to that point in time. Under current practice, OCERS would take 30 years to pay off that liability. The Segal company, working with other California-based actuarial firms and following guidelines recently published by the California Actuarial Advisory Panel, is trying to help develop best practices, suggests that the Board lower the amortization period to 25 years for **future** liabilities. Because those are **future** liabilities Segal cannot accurately estimate what the cost impact of shrinking the amortization period from 30 to 25 years might be as it has not occurred yet.

At a recent meeting with representatives of the City of Stanton, OCERS staff, together with staff from the Orange County Fire Authority (OCFA) was able to assist in providing a better sense of what the cost impact of this one modification (amortizing assumption changes over 25 years instead of 30) might be. Using the impact of amortizing the \$901 million liability created late last year when the OCERS Board of Retirement lowered the assumed earnings rate from 7.75% to 7.25%, that additional liability will add 2.99% of salary to all OCERS employer UAAL contribution rates for 30 years under the current amortization policy, and would add 3.35% of salary if it were amortized over a shorter 25 year period.

OCFA staff was then able to translate those percentages into an actual dollar impact on the City of Stanton as an example. If that new unfunded liability were amortized over 30 years as is current policy, the change would cost another \$207,000 per year for the next 30 years to the City of Stanton or an additional \$217,000 over 25 years if the amortization period were shortened per Segal's recommendation.

The OCERS Board has been studying this topic over the course of the past two months, and among other additional issues raised, the OCERS Board has asked what the impact would be to change the amortization period for **current** liabilities [presently standing at \$4.45 billion]. While Segal has not made a recommendation to change the period (equivalent to about 20 years) for amortizing the current liabilities, questions have been posed to Segal during the discussions as to the impact of lengthening the amortization period, as well as shortening it even further than the current period of about 20 years. Taking a longer time to pay (lengthening the amortization period) would lower employer's contribution rates, though it would cost more in interest over the long term, while shortening the amortization period would cause employer contribution rates to rise in absolute dollars, though it would save interest costs over that shortened period of time.

Two new items were submitted for the Board's consideration:

1. A December 10, 2012 memo from the actuarial firm of Rael & Letson, outlining other options the OCERS Board might consider regarding amortization of unfunded liabilities, commissioned by the Association of Orange County Deputy Sheriffs (AOCDS) (Attachment 1).
2. A letter from the Orange County Fire Authority's Budget and Finance Committee, requesting the Board consider the following: (1) make no change at all to its amortization policy, or (2) study the options provided in the Rael & Letson actuarial study, or (3) go with Alternative #3, which would lower the amortization period for assumption changes from 30 years to 25 years for future assumption changes effective with the December 31, 2013 valuation at the earliest.

After a very lengthy discussion, the OCERS Board voted to continue the item to the June 2013 meeting to allow Plan Sponsors and other interested parties more time to study the matter.

A separate agenda item regarding potential changes to OCERS' Actuarial Funding Policy was presented at a Special Meeting of OCFA's Board of Directors on April 25.

PENSION ADMINISTRATION SYSTEM SOLUTION (PASS) STATUS UPDATE

With the rebaselining of the OCERS V3 conversion project approved by the OCERS Board at its meeting in January 2013, OCERS staff committed to provide a monthly update report to the Board as a Consent Agenda item, and in turn to provide a detailed live project status report to the Board on a quarterly basis. This was the first of those quarterly reports as OCERS moves forward to the March 2015 go-live date.

Staff will continue to monitor actions taken by OCERS to improve its financial policies and practices, and will report back in June regarding progress made during the next month.

Impact to Cities/County:

Any increase or decrease in OCFA's retirement costs will impact annual adjustments to charges passed on to Cash Contract Cities and John Wayne Airport.

Fiscal Impact:

Any changes to the amortization of future UAALs will apply, at the earliest, to the 2013 actuarial valuation and would be implemented in July 2015 (although more likely to occur in July 2016). Longer amortization periods result in lower contributions and lower contribution volatility. Conversely, shorter amortization periods get to full funding sooner but at the price of higher current contributions and higher contribution volatility. It is not possible to quantify in advance the full future cost impact associated with adopting any of the alternative amortization periods for future changes in UAAL simply because the plan's future changes in UAAL are not yet identified.

Staff Contacts 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

Attachments:

1. Letter from actuarial firm, Rael & Letson December 10, 2012
2. OCFA's Budget and Finance Committee Letter April 11, 2013



RAEL & LETSON
CONSULTANTS AND ACTUARIES
378 VINTAGE PARK DRIVE ♦ FOSTER CITY, CALIFORNIA 94404-4813
TELEPHONE (650) 341-3311 ♦ FAX (650) 341-5392
WWW.RAEL-LETSON.COM

MEMORANDUM

TO: Mark Nichols
Executive Director, Association of Orange County Deputy Sheriffs

FROM: Jonathan Hassen and Wendy Londa

DATE: December 10, 2012

RE: Orange County Employees' Retirement System - Funding Policy Options

As requested, we have examined various funding policy options available to the Orange County Employees' Retirement System (OCERS) in light of the Plan's current funded position, employer contribution levels and market losses experienced in the last five years. The information below highlights possible options as well as their viability.

Funding Policy Options for OCERS

We have analyzed the impact on the Plan of nine funding policy changes. A few of these options are variations of the legal provisions in the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 ("PRA") as signed by President Obama on June 25, 2010. This legislation was passed in an effort to help fundamentally sound private sector pension plans which had become financially challenged by the economic downturn in the last few years. Although the law only applies to the private sector, some of the funding relief provisions would be considered reasonable for the public sector. The options we evaluated are as follows:

1. Restart the amortization period of all amortization bases to a fixed and declining 25-year period as of December 31, 2011 (25-year layered)¹.
2. Restart the amortization period of all amortization bases to a fixed and declining 30-year period as of December 31, 2011 (30-year layered).
3. Extend the amortization period for valuation value investment losses incurred in the 2011 Plan Year from 15 years to 30 years.
4. Smooth the market value investment loss incurred in the 2011 Plan Year over 7 years.

¹ With the exception of actuarial assumption bases with amortization periods currently exceeding 25 years.

5. Smooth the market value investment loss incurred in the 2011 Plan Year over 10 years
6. Combination of options 1 and 4: restart the amortization period of all amortization bases to a fixed and declining 25-year period and smooth the market value investment loss incurred in the 2011 Plan Year over 7 years.
7. Combination of options 1 and 5: restart the amortization period of all amortization bases to a fixed and declining 25-year period and smooth the market value investment loss incurred in the 2011 Plan Year over 10 years.
8. Combination of options 2 and 4: restart the amortization period of all amortization bases to a fixed and declining 30-year period and smooth the market value investment loss incurred in the 2011 Plan Year over 7 years.
9. Combination of options 2 and 5: restart the amortization period of all amortization bases to a fixed and declining 30-year period and smooth the market value investment loss incurred in the 2011 Plan Year over 10 years.

As expected, the above options have a favorable impact on the employer contribution rate for the Fiscal Year beginning July 1, 2013, although to varying degrees. The estimated savings for General and Safety members combined are shown in the chart below.

| <i>Funding Option</i> | <i>Estimated Reduction in Employer Contributions</i> | <i>Estimated Reduction in Employer Contribution Rate</i> |
|-----------------------|--|--|
| 1 ¹ | \$49,737,000 | 3.07% |
| 2 ² | \$74,494,000 | 4.60% |
| 3 | \$12,530,000 | 0.77% |
| 4 | \$3,300,000 | 0.20% |
| 5 | \$5,775,000 | 0.36% |
| 6 | \$52,073,000 | 3.22% |
| 7 | \$53,825,000 | 3.32% |
| 8 | \$76,600,000 | 4.73% |
| 9 | \$78,179,000 | 4.83% |

¹ For Safety members, Option 1 (restart amortization over 25 years) is an estimated reduction in the Safety employer contribution of **\$12,760,000** with an associated **3.44%** estimated reduction in the Safety employer contribution rate.

² For Safety members, Option 2 (restart amortization over 30 years) is an estimated reduction in the Safety employer contribution of **\$20,117,000** with an associated **5.43%** estimated reduction in the Safety employer contribution rate.

Mr. Mark Nichols
Executive Director
December 10, 2012
Page 3

Although the PRA relief afforded to private sector multiemployer pension plans only offered relief for the two plan years ending after August 31, 2008, we have not priced any funding policy options specific to the 2008 and 2009 investment years in our analysis. Since the Plan incurred an investment loss in the 2008 calendar year and investment losses are recognized over 5 years (20% per year) for purposes of determining the valuation value of assets, the Plan has already recognized 80% of the \$2.2 billion investment loss incurred in the 2008 Plan Year. The loss will have been fully recognized as of December 31, 2012. The Plan could retroactively utilize an extended amortization or smoothing period for the investment loss incurred in the 2008 Plan Year and apply the associated reduction as a credit to subsequent employer contributions. However, we have assumed this is not a desirable option for purposes of this analysis.

As a comparable alternative to the private sector pension relief offered for the 2008 and 2009 Plan Years, we have included in Options 3-5 the impact of recognizing the investment loss incurred in the 2011 Plan Year over an extended period. If the Plan were to incur a significant investment loss in a subsequent plan year, both years could be afforded some variation of pension relief. For your information, the chart on page 6 shows some modified versions of relief adopted by other major public retirement systems.

Additional discussion on these funding policy options is included below. Please note that the options presented in our analysis are for illustration only and other alternative funding policies may, for example, consist of combinations of the above.

Discussion of Options

Option 1 entails collapsing all current amortization bases, with the exception of actuarial assumption bases with amortization periods currently exceeding 25 years, into one base and amortizing that base over 25 years. Each new base resulting from actuarial gains or losses, assumption changes or plan provision changes would be amortized over the applicable OCERS stipulated period. The OCERS Plan currently amortizes changes in the unfunded actuarial accrued liability over various periods depending on the cause of the change. For instance, actuarial assumption changes are amortized over 30 years whereas experience gains or losses are amortized over 15 years. This option would mitigate the effect of any future losses incurred.

Option 2 is similar to Option 1 except that all current amortization bases would collapse into one base and be amortized over 30 years. Note that the Pension Relief Act of 2010 provided a one-time option to private sector defined benefit plans to amortize the investment losses incurred in the two plan years following August 31, 2008 over an amortization period of 30 years with all future bases amortized using current rules (generally over 15 years).

Under current Government Accounting Standards (GASB), a 30-year amortization period is considered acceptable. However, under new Government Accounting Standard guidelines (GASB 67/68, as amended by GASB 50), investment experience will need to be recognized over a 5-year period and demographic experience will need to be recognized over the average future working lifetime of plan participants. In general, the average future working lifetime varies by population but is generally 15-25 years. These new standards will take effect for fiscal years beginning after June 15, 2013 for pension plans and after June 15, 2014 for employers. Note that accounting compliance under GASB is completely separate from funding requirements and may be determined under different methodologies.

Option 3 isolates the valuation value investment loss incurred during the 2011 Plan Year and extends the time to amortize the loss to 30 years rather than 15 years as under the current funding policy. Note that the Plan incurred a total experience loss of \$272.1 million in the 2011 Plan Year. However, this was comprised of an investment loss of \$388.9 million offset by a demographic gain of \$116.8 million. Under Option 3, the \$388.9 million investment loss would be amortized over an extended period of 30 years to provide temporary relief.

Option 4 uniquely targets the market value investment loss incurred during the 2011 Plan Year by applying a smoothing period of 7 years rather than the current 5-year smoothing methodology in the determination of the valuation value of assets. Note that the smoothing period used to determine the valuation value of assets would revert back to the current 5-year smoothing methodology effective with the market value investment gains or losses incurred in the 2012 Plan Year. This would provide employers with additional time to pay off the 2011 asset loss.

Option 5 is similar to Option 4 but extends the smoothing period from 7 years to 10 years. As expected, this option provides further relief by spreading the market losses over 10 years; this is a reasonable time frame given the extent of the loss and comparability to private sector relief which also afforded pension plans with the option to smooth losses incurred in the two plan years ending after August 31, 2008 over 10 years. Bear in mind, this only affects the loss for the 2011 Plan Year. All future gains or losses would be smoothed according to the current method although future losses could also be smoothed over an extended period.

Options 6-9 are combinations of Options 1-2 and 4-5. These options involve combining the 25 or 30-year collapsed amortization of all bases along with a 7 or 10-year extended smoothing period of the investment loss incurred in the 2011 Plan Year for purposes of determining the valuation value of assets. In aggregate, these options produce the greatest cost savings although the savings are not significantly higher than Options 1 and 2 on a stand-alone basis. Note that PRA relief provided private sector plans with the option to both amortize net investment losses incurred in the 2008 and 2009 Plan Years over 30 years and to extend the smoothing period for recognizing such losses to 10 years. Options 6-9 are similar in nature to these relief provisions.

Amortization Options

Note that the amortization options included in this analysis (Options 1 and 2) are considered fixed and declining amortization methods or “closed” amortization periods. The base is initially established at the effective date and the calculated amortization amount covers both the interest and principal owed on the base. By the end of the 30-year amortization period, the amortization base has been fully paid off. This is the amortization methodology currently utilized by OCERS. Subsequent to the restart amortization of the unfunded actuarial liability established as of December 31, 2004 (currently amortized over 23 years), OCERS incorporated a “closed” layered approach for subsequent experience gains and losses. This results in a new amortization base each year to the extent unfunded liabilities differ from actuarial expectations. This base is amortized over 15 years which is similar in length to private sector multiemployer pension plans.

An alternative to the fixed and declining or “closed” amortization approach is a rolling or “open” amortization method. A rolling amortization method resets the amortization period to the stipulated period each year and replaces the previous year’s base with a new or “open” amortization base. The drawback of a rolling or “open” amortization method is that the base never fully gets paid off because the amortization period resets each year. As a result, the amortization amounts are lower than under a fixed and declining method after the first year. This approach can be advantageous in difficult financial times because it provides the Plan with a longer period of time to recover from financial struggles. On the negative side, it can prevent a Plan from recognizing fruitful financial gains in periods of economic prosperity. Since our analysis of funding policy Options 1 and 2 reflects a fresh reset of the amortization period to 25 and 30 years as of December 31, 2011 respectively, there is no difference between the “closed” and “open” amortization approaches in the initial year of establishment. The difference in methods would only come into play in subsequent years to the extent the plan’s unfunded liability deviated from actuarial expectations.

Consider the following examples of the estimated effect on the Plan’s December 31, 2012 amortization payment if the Plan were to incur a valuation value investment loss of \$500 million versus a gain of \$500 million in the 2012 Plan Year assuming the Plan had previously established Option 2 as of December 31, 2011 (30-year restart amortization of all bases):

| <i>Amortization Method</i> | <i>2012 Amortization with Valuation Value <u>Gain</u> of \$500m in the 2012 Plan Year</i> | <i>2012 Amortization with Valuation Value <u>Loss</u> of \$500m in the 2012 Plan Year</i> |
|----------------------------|---|---|
| Closed | \$214,557,000 | \$303,591,000 |
| Open | \$225,932,000 | \$282,752,000 |

As shown above, an investment loss results in a lower amortization payment under the rolling or “open” amortization approach while an investment gain results in a lower amortization payment under the fixed and declining or “closed” amortization approach. Although public sector pension plans are generally considered ongoing plans and thus may reasonably select an “open” amortization period, we would not recommend this method over a period in exceed of 20 years. A 30-year rolling amortization period is simply too long in our view.

Other Major California Public Retirement Systems

For illustration purposes, we’ve listed below the amortization methods for experience gains and losses followed by a sampling of major public retirement systems in California based on their most recently published actuarial valuation reports. Note that there are certain exceptions and not all amortization bases are amortized over the stated period:

| <i>Public Retirement System</i> | <i>Amortization Approach for Experience G/L</i> |
|---------------------------------|---|
| LACERS | Switched from 5-year recognition of investment gains and losses to 7-year recognition in 2010. Combined bases and amortized over 30-year fixed and declining period in 2012. Subsequent gain/loss bases amortized over 15-year fixed and declining period (layered). |
| LACERA | 30-year fixed and declining (layered). |
| SBCERS | Switched from 15-year fixed and declining period to 17-year rolling “open” amortization period in 2010. |
| VCERA | 15-year fixed and declining period (layered). |
| SDCERS | 15-year fixed and declining period (layered). |
| SFERS | 15-year rolling “open” amortization period. |

Mr. Mark Nichols
Executive Director
December 10, 2012
Page 7

Other Considerations

One issue to keep in mind when selecting a funding policy is the potential for negative amortization. This occurs when scheduled amortization payments do not cover the interest accrued on the outstanding balance (Unfunded Actuarial Accrued Liability, or UAAL). In this case, the amount by which the interest exceeds the payment is added to the outstanding balance, thus increasing the UAAL. Although negative amortization is not a desired feature of an amortization schedule, it is important to note that the long-term health of the Plan should be the main focus. If the funded ratio continues to improve and contributions are at a manageable rate, negative amortization is acceptable for a short period of time.

Note that, as of December 31, 2011, certain existing amortization bases are operating in a negative amortization environment and there is the potential for negative amortization under a combined amortization funding policy approach. Depending on future investment and demographic experience, a minimum funding requirement may be considered such as interest on the UAAL.

In the December 31, 2011 actuarial valuation, several assumptions were updated by the actuary and the impact of those changes was amortized over a 30-year period allocated among general and safety member participant groups. At the time, the investment return assumption was maintained at 7.75% although the actuary recommended a reduction in the assumption. However, we understand that OCERS recently voted to lower the investment return assumption by 50 basis points. This reduction in the investment rate assumption will further increase actuarial liabilities and employer contributions. To prevent significant increases in the contribution rate due to pivotal assumptions such as the investment return assumption, some systems have opted to phase-in the effect of the change over a period of years. These assumptions should continue to be monitored and reviewed for reasonability.

We are available to discuss the options or other analysis included in this memo in further detail. Please let us know if you have any questions.

APPENDIX
ASSOCIATION OF ORANGE COUNTY DEPUTY SHERIFFS
STATEMENT OF ACTUARIAL OPINION

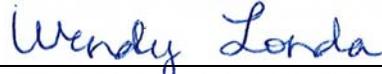
The analysis presented in this memorandum is based on the information included in the actuarial valuation reports for the Orange County Employees' Retirement System for the 2010, 2011 and 2012 Plan Years as well as the actuarial assumption review for the December 31, 2011 actuarial valuation as prepared by The Segal Group, Inc. All data, methods and assumptions are the same as used in the December 31, 2011 actuarial valuation, except where noted otherwise.

Future actuarial measurements may differ significantly from the current measurements presented in this memorandum due to factors such as plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this letter are for purposes of determining alternative funding policy options. The calculations in this letter have been made on a basis consistent with our understanding of OCERS current funding requirements. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this letter. Accordingly, additional determinations may be needed for other purposes. Rael & Letson's work is prepared solely for the internal business uses of the Association of Orange County Deputy Sheriffs. Rael & Letson's advice is not intended to be a substitute for qualified legal or accounting counsel. Note that we have not explored any legal issues with respect to the proposed funding policy options.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this funding policy options memorandum is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are actuaries for Rael & Letson, are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified by:  E.A., F.C.A., M.A.A.A.
Jonathan Hassen
Enrolled Actuary No. 11-07913

Reviewed by:  E.A., A.S.A., F.C.A., M.A.A.A.
Wendy G. Londa
Enrolled Actuary No. 11-07600



ORANGE COUNTY FIRE AUTHORITY

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

Keith Richter, Fire Chief

(714) 573-6000

www.ocfa.org

April 11, 2013

Honorable Board Members, OCERS' Board of Retirement
Mr. Steve Delaney, Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701

Members of the Board of Retirement & Mr. Delaney:

Re: OCERS' Proposed Actuarial Funding Policy

At the Orange County Fire Authority's Budget & Finance Committee meeting on April 10, 2013, the Committee reviewed and discussed the Proposed Actuarial Funding Policy alternatives that are under consideration by the OCERS' Board of Retirement. The Committee directed staff to communicate the following desired outcomes to OCERS for consideration at the upcoming April 15, 2013 meeting:

Priority #1: Make no changes to existing actuarial funding policies. Preserve the current flexibility for OCERS' plan sponsors to expedite payment of their UAAL on a voluntary basis, if desired.

Priority #2: Consider a hybrid of other options, such as those presented by the AOCSD, and take more time to research options before making a final decision.

Priority #3: If a policy change will be made immediately by the OCERS Board from the three alternatives outlined by The Segal Company, then support proposed Alternative #3.

The OCFA understands the importance of this policy decision, and is appreciative of the assistance provided by Steve Delaney and Andy Yeung in preparing and presenting the materials to the OCFA's Budget & Finance Committee.

If you have any questions, you may contact me at (714) 573-6020.

Respectfully,

A handwritten signature in blue ink that reads "Lori Zeller".

Lori Zeller
Assistant Chief, Business Services Department

cc: OCFA Board of Directors
Keith Richter, Fire Chief

CONSENT CALENDAR - AGENDA ITEM NO. 4
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Third Quarter Financial Newsletter – *January to March 2013***

Summary:

This agenda item is submitted to provide information regarding FY 2012/13 third quarter revenue and expenditures in the General Fund and the Capital Improvement Program Funds.

Recommended Action:

Review the proposed agenda item and direct staff to place this item on the agenda for the Executive Committee meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

Background:

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

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contacts for Further Information:

Stephan Hamilton, Budget Manager

stephanhamilton@ocfa.org

(714) 573-6302

Tricia Jakubiak, Treasurer

triciajakubiak@ocfa.org

(714) 573-6301

Attachment:

Third Quarter Financial Newsletter – *January to March 2013*



Orange County Fire Authority

Third Quarter Financial Newsletter – January to March 2013

OVERVIEW

This report covers activities for the third quarter of FY 2012/13. Budget amounts include the mid-year adjustments approved by the Board in March.

GENERAL FUND

With 75% of the fiscal year completed, General Fund revenues are 66.3% of budget and expenditures are at 73.8% as shown below:

| General Fund | Budget | YTD Actual | Percent |
|--------------|-------------|-------------|---------|
| Revenues | 305,936,468 | 202,973,060 | 66.3% |
| Expenditures | 290,792,358 | 214,616,987 | 73.8% |

Top Five Revenues. Our top five ongoing revenue sources represent 91.4% of our total revenue this fiscal year, giving us an excellent picture of our revenue position. Overall, these key revenues are performing as anticipated for this point in the fiscal year based on billing/payment schedules and past trends. Highlights are noted as follows:

| Top Five Revenues | Budget | YTD Actual | % Rec'd |
|----------------------|--------------------|--------------------|--------------|
| Property Taxes | 181,204,709 | 109,883,291 | 60.6% |
| Cash Contracts | 82,751,043 | 67,447,185 | 81.5% |
| Ambulance Reimb. | 4,570,574 | 2,526,386 | 55.3% |
| Fire Prevention Fees | 5,099,552 | 3,771,943 | 74.0% |
| State Reimb. | 6,050,975 | 4,724,029 | 78.1% |
| Total | 279,676,853 | 188,352,834 | 67.4% |

- **Property tax.** Third quarter activity includes distributions of secured, unsecured, homeowner property tax relief, and supplemental property taxes. Secured property tax, the largest component of our property tax, totals \$102.7M or 60.0% of our budgeted secured revenues, which is within the Auditor/Controller range of the initial levy. The budget includes a \$1.7 million mid-year increase in secured property taxes.
- **Cash Contracts.** Activities include billing to the cash contract cities and John Wayne Airport. The total percentage is greater than 75% due primarily to the City of Santa Ana being billed monthly in advance. The budget now includes

adjustments related to the changes in staffing for City of Stanton and John Wayne Airport.

- **Fire Prevention Fees.** Inspection Services revenue is low at 56.7% of budget. This revenue source has been delayed due to the temporary stoppage of inspections related to the audit of inspection records and the current investigation by the District Attorney. Pending completion of the audit, duplicate inspection forms were generated, allowing inspection activity to restart in December 2012. Planning & Development fees are at 83.7% of budget due to increased activity.
- **Ambulance Reimbursement.** The percentage received for this revenue category is typically lower than budget until year-end closing, due to the timing of payments. Current ambulance contracts require ambulance companies to remit reimbursements to OCFA 90-days following the close of each month.
- **State Reimbursement.** The budget reflects an increase of approximately \$1.9 million due to reimbursements for out-of-county emergency activity.

Expenditures. Expenditures for the third quarter of the fiscal year as summarized by department.

| Expenditures By Department | Budget | YTD Actual | % Expended |
|----------------------------|--------------------|--------------------|--------------|
| Executive Mgt. | 5,306,070 | 3,671,782 | 69.2% |
| HR Division | 4,944,865 | 4,009,861 | 81.1% |
| Operations | 233,835,194 | 175,467,034 | 75.0% |
| Fire Prevention | 11,869,813 | 8,550,076 | 72.0% |
| Business Services | 11,860,351 | 6,552,532 | 55.3% |
| Support Services | 22,976,065 | 16,365,702 | 71.2% |
| Total Expenditures | 290,792,358 | 214,616,987 | 73.8% |

Key variances by department include:

- **Human Resources Division.** Expenditures include the annual insurance premiums, which are paid in full each July.

Expenditures as summarized by type:

| Expenditures by Type | Budget | YTD Actual | % Expended |
|----------------------|--------------------|--------------------|--------------|
| S&EB | 266,198,050 | 200,399,108 | 75.3% |
| S&S | 24,326,110 | 14,120,849 | 58.0% |
| Equipment | 268,198 | 97,029 | 36.2% |
| Total | 290,792,358 | 214,616,987 | 73.8% |

Key variances by type include:

- S&EB is slightly above the 75% target due primarily to the timing of payments for medical insurance and a significant amount of sick and vacation balance payoffs for recent retirees.
- The S&S budget includes appropriations for the property tax administration fee which will be expended in the fourth quarter.
- The equipment budget includes \$172,000 for the Assistance to Firefighters Grant for the purchase of sixteen thermal imaging cameras to be placed on truck companies, which is in process.

CIP FUNDS

The following summarizes year-to-date revenues and expenditures for the Capital Improvement Program funds. Overall, revenues and expenditures are on target for the third quarter of the fiscal year. Any variances are noted as follows.

Facilities Maintenance & Improvement

| Fund 122 | Budget | YTD Actual | Percent |
|--------------|-----------|------------|---------|
| Revenue | 287,913 | 208,021 | 72.3% |
| Expenditures | 1,246,449 | 520,625 | 41.8% |

- Cost containment measures continue with projects being deferred whenever possible.

Facilities Replacement

| Fund 123 | Budget | YTD Actual | Percent |
|--------------|-----------|------------|---------|
| Revenue | 166,787 | 142,573 | 85.5% |
| Expenditures | 2,270,763 | 63,863 | 2.8% |

- Budget revenue includes bankruptcy proceeds from the County which were added at mid-year.
- The expenditure budget includes \$2.2 million for the purchase of the second half of the hangar at Station 41 (Fullerton Airport). Although there have been delays it is anticipated that the project will be completed before the end of June. The noted construction delay is related to the new

facility where the tenants, currently housed in the second half of the hangar, will be relocated.

Communications & Info. Systems Replacement

| Fund 124 | Budget | YTD Actual | Percent |
|--------------|------------|------------|---------|
| Revenue | 213,114 | 187,827 | 88.1% |
| Expenditures | 13,524,465 | 4,602,289 | 34.0% |

- Budget revenue includes bankruptcy proceeds from the County which were added at mid-year.
- The expenditure budget includes \$10 million for the Public Safety System project. The contract for the CAD portion of the system has been reduced by \$308K to a new contract amount of \$2.5 million. Negotiations for the other two parts of the system (fire prevention and incident reporting) are not expected to be completed until August 2013; therefore a rebudget to 2013/14 of \$5.2M has been requested.

Vehicle Replacement

| Fund 133 | Budget | YTD Actual | Percent |
|--------------|-----------|------------|---------|
| Revenue | 2,475,116 | 1,200,403 | 48.5% |
| Expenditures | 9,565,449 | 4,943,389 | 51.7% |

- Year-to-date expenditure activity includes the lease-purchase financing agreement payments for the helicopters.
- Both the revenue and expenditure budgets include \$960,000 for vehicle purchases under US&R and State Homeland Security grant programs, which are in process.
- Current activity reflects the issuance of a purchase order in the amount of \$2.1M for the purchase of four Type-1 engines.

SUMMARY

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

CONSENT CALENDAR - AGENDA ITEM NO. 5
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Grant Award Acceptance**

Summary:

This item is submitted to approve acceptance of a California Fire Safe Council (CFSC) grant award for an amount of \$158,064 in federal grant funds for the Cowan Heights Peter Canyon Fuel Reduction and Education project.

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors accept California Fire Safe Council grant and direct staff to increase the FY 2013/14 General Fund (Fund 121) budget by \$158,064 in revenue and \$33,000 in appropriations.

Background:

The CFSC acts as a clearinghouse for grant funds from its partner federal agency members such as the United States Department of Agriculture (USDA) and the United States Department of the Interior. In the case of the funds the OCFA is set to receive, they have been provided from the Forest Service under USDA.

The Cowan Heights project is a multi-faceted project with components such as fuel reduction, education, evacuation, and preparedness is continually considered for potential grant opportunities. This CFSC grant program prioritizes fuel removal projects that aid communities to invest in efforts that make it fire safe. Specifically, communities that have or are seeking to establish a local Fire Safe Council and a Community Wildfire Protection Plan (CWPP) are prioritized. The community of Cowan Heights has recently established a local council and is developing a CWPP.

This grant project is focused on removing hazardous fuel in a 20 acre portion of Peters Canyon Park that is adjacent and posing a risk to homes in Cowan Heights (Attachment 1- Aerial Map). The grant application proposes to use grant funds for OCFA's handcrew to conduct fuel reduction in the amount of \$125,064. OCFA will provide an equal amount to meet the 50% match commitment required by this grant by charging the Board's approved reimbursement rate for fuel removal work conducted by the handcrew. In addition, OCFA staff time for project management and supervision will provide additional match fund commitments. In total OCFA's match provided by budgeted personnel costs will provide \$267,544 in match funds, exceeding the 50% grant requirement. The grant will provide \$33,000 for equipment rental and environmental review, as needed.

The grant's scope of work period runs until February 2015, and OCFA expects to perform the bulk of fuel removal work between September 2013 and February 2014.

Impact to Cities/County:

Increase of reimbursable project work to handcrew of \$125,064.

Fiscal Impact:

Increase in FY 2013/14 revenue in the General Fund (Fund 121) in the amount of \$158,064 and appropriations in the amount of \$33,000.

Staff Contact for Further Information:

Jay Barkman, Legislative Analyst
jaybarkman@ocfa.org
(714) 573-6048

Attachments:

1. Aerial Map of Project Area
2. CFSC Award Letter



Service Layer Credits

California Fire Safe Council Grantee Project - Boundary Map

Organization Name: Orange County Fire Authority

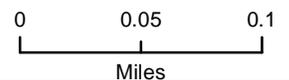
USGS Quad: Orange

Project Name: Cowan Heights Peters Canyon Fuel Reduction

Scale: 1:5,000

Grant Number: 13USFS - SFA0017

Date: 11/16/2012





February 28, 2013

Jay Barkman
Orange County Fire Authority
1 Fire Authority Road Irvine Ca 92602

Dear Mr. Barkman,

Congratulations! We're excited to provide funding for the Orange County Fire Authority's "Cowan Heights Peter Canyon Fuel Reduction and Education" project. The project being funded is as described in the organization's application for funding. Your Cooperative Fire Protection (State Fire Assistance) grant is made possible by federal financial assistance provided to the California Fire Safe Council (CFSC) from the USDA Forest Service (FS). The project is funded via Cooperative Forestry Assistance, CFDA # 10.664. We appreciate your work in making California's residents and communities safe from wildfire. This Sub-Award agreement outlines the project and related requirements.

Your grant number is 13SFA0017. Please use this number when contacting the CALIFORNIA FIRE SAFE COUNCIL about your grant. Funding for this project is \$158,064, and the non-federal match that you have agreed to provide is \$267,544. The approved grant period is effective February 1, 2013 through February 28, 2015. You may not receive funding for portions of the project completed before the start date or after the completion date of the project.

The basis for this agreement is for the support or stimulation of a public purpose under the Cooperative Forestry Assistance Act of 1978 PL 95-313. 92 Stat. 365, 15 U.S.C. 2101-2114 as amended.

Definitions

CFDA – Catalog of Federal Domestic Assistance. www.CFDA.gov

CFR – Code of Federal Regulations. <http://www.gpoaccess.gov/cfr/index.html>

OMB – Office of Management and Budget. www.omb.gov

Recipient – An organization receiving financial assistance directly from federal awarding agencies to carry out a project or program. The CALIFORNIA FIRE SAFE COUNCIL is the recipient.

Subaward – An award of financial assistance made under an award by a recipient to an eligible subrecipient. A subaward is the award of funding for this project.

Subgrant – Subgrant will be referred to as subaward for the purposes of this agreement.

Subgrantee – The legal entity to which a subgrant is awarded and which is accountable to the recipient for the use of funds provided. Subgrantees will be referred to as subrecipients in this agreement.

Subrecipient – The legal entity to which a subaward is made and which is accountable to the recipient for the use of funds provided. The Orange County Fire Authority is the subrecipient.

A. Administrative and Other Requirements

The subrecipient's project is being funded through the CALIFORNIA FIRE SAFE COUNCIL by the FS. Therefore, it is subject to OMB A-102 "Grants and Cooperative Agreements with State and Local Governments", and 2 CFR 215 as implemented by the FS in 7 CFR 3019; OMB Circular 225 (A-87) "Cost Principles for State, Local and Indian Tribal Governments", and OMB Circular A-133 "Audits of States, Local Governments and Non-profit Organizations" and A-133 as implemented in 7 CFR 3052. The OMB circulars are available on the internet at <http://www.whitehouse.gov/omb/grants.default> . Electronic copies of the CFRs can be obtained at the following internet site: <http://www.gpoaccess.gov/cfr/index.html>.

B. Environmental Compliance Requirements

The subrecipient shall ensure that the project is in compliance with all applicable environmental and cultural resource laws - federal, state and local - prior to beginning any ground or vegetation disturbing activities.

The following federal environmental acts are triggered by grant funding:

- Endangered Species Act (ESA)
- Migratory Bird Treaty Act (MBTA)
- National Historic Preservation Act (NHPA)
- Bald and Golden Eagle Protection Act (BGEPA) (if applicable)

Federal Environmental Compliance Process for Grants Clearinghouse Projects

The U.S. Forest Service has contracted with the Bureau of Land Management (BLM) and its professional staff to review the 2013 projects for compliance with the applicable federal environmental regulations listed above. Once this subaward agreement is signed and returned, the BLM reviewers will advise whether your project may proceed or whether additional studies or mitigation measures are needed. They will contact you directly to obtain any supplemental materials, maps or other information needed.

Once the review is complete, the BLM reviewers will send the ESA, MBTA, NHPA and BGEPA (if applicable) compliance determinations to the CALIFORNIA FIRE SAFE COUNCIL Grant Information Specialist. CALIFORNIA FIRE SAFE COUNCIL staff will send the BLM documents to the subrecipient with a cover letter stating that the project has been released as compliant with federal environmental regulations.

You are not to begin any ground disturbing work until you have been notified by CALIFORNIA FIRE SAFE COUNCIL staff that your project is cleared. PAYMENTS WILL BE DELAYED UNTIL APPROPRIATE OFFICIAL DOCUMENTATION IS PROVIDED TO THE CALIFORNIA FIRE SAFE COUNCIL by the BLM reviewers.

Please initial _____

National Environmental Policy Act (NEPA)

Because the U.S. Forest Service did not select this project for funding, it is not subject to NEPA.

CEQA Compliance on Fuels Treatment Projects Carried Out by Non-profits

The California Environmental Quality Act (CEQA) requires "public agencies" (state or local government agencies) to consider, disclose and mitigate the environmental effects of projects that they carry out, fund, permit or assist. The public agency may require *your organization* to conduct surveys, collect information and provide documentation to meet the public agency's CEQA responsibilities.

All environmental compliance reviews completed by a federal agency for a Cooperative Fire Program grant only covers relevant federal laws, not any state laws or local ordinances. It is the responsibility of the subrecipient to ensure compliance with any relevant state laws or local ordinances.

C. Grant Award Provisions

The subrecipient agrees to comply with all applicable federal, state and local laws, regulations and policies governing the funds provided under this agreement.

1. Insurance requirement

The subrecipient and fiscal sponsor, if applicable, are responsible for all grant funds received through the CALIFORNIA FIRE SAFE COUNCIL and for all assets purchased with grant funds. This responsibility extends to any loss of grant funds attributable to fraud and/or misappropriation by third persons and to any expenditure not allowed by this agreement. Should any loss of grant funds or improper expenditure of grant funds occur, subrecipient and its fiscal sponsor, if applicable, will be required to reimburse the CALIFORNIA FIRE SAFE COUNCIL for those amounts.

The subrecipient and fiscal sponsor, if applicable, shall carry insurance coverage sufficient to protect all grant funds and other agreement assets from loss due to theft, fraud and/or negligence. Types of insurance may include, but are not limited to, general, liability, errors and omissions, directors and officers, and the acquisition of a fidelity bond. The subrecipient shall provide proof of appropriate insurance to the CALIFORNIA FIRE SAFE COUNCIL prior to engaging in activities for which funding is provided by the CALIFORNIA FIRE SAFE COUNCIL. If funds provided as part of this award are to purchase insurance, the subrecipient shall provide proof of insurance to the CALIFORNIA FIRE SAFE COUNCIL within 30 days of obtaining a policy. The subrecipient is responsible for sending all current insurance certificates of coverage upon annual renewal of coverage.

Contractors working on your project must carry their own insurance and furnish proof of coverage to your organization.

Please discuss any pertinent requirements with regard to the various types of insurance needed to meet this requirement with your insurance broker.

Please initial _____

2. Workers Compensation requirement

The subrecipient shall provide workers compensation insurance for all employees (not including contractors) involved in the performance of this agreement. Workers compensation insurance for volunteers is strongly encouraged.

3. Termination of grant project

The subrecipient is responsible for ensuring that expenditures of federal funds are allowable according to 2 CFR 225. Unallowable costs cannot be paid with federal funds and they become the subrecipients' sole responsibility.

This agreement may be terminated in accordance with the provisions of OMB A-102, and 7 CFR 3016.43 and 3016.44. Termination may occur for such reasons as nonadherence to grant terms, misrepresentation, fraud, nonperformance, falsification of data, misuse of funds, inability to perform, lack of capacity and other causes as determined by the CALIFORNIA FIRE SAFE COUNCIL.

4. Collaborative Agreements

If the subrecipient enters into collaborative agreements with other organization to jointly carry out activities with grant funds, the subrecipient is required to submit copies of agreements to the CALIFORNIA FIRE SAFE COUNCIL for review. Subrecipients will ensure all work done by other organizations under the grant terms is in accordance with the subgrant agreement.

5. Audit requirement

If the subrecipient expends \$500,000 or more in federal awards from all sources during the subrecipient's fiscal year, the subrecipient is required to have a single or program-specific audit conducted for that year in accordance with the provisions of OMB A-133 and 7 CFR 3052.

6. Record Retention requirement

All subrecipient records with respect to any matters covered by this agreement shall be made available to the CALIFORNIA FIRE SAFE COUNCIL, FS, their designees or the federal government at any time, upon request. Records must be kept for a minimum of three years after CALIFORNIA FIRE SAFE COUNCIL closes their master grant, associated with this subaward, with the FS, or longer if required by OMB A-102, C .42 and 7 CFR 3016.42. Retention and access requirements for records shall be governed by OMB A-102, C .42 and 7 CFR 3016.42.

At grant close-out, you will be required to submit a CD of the entire contents of the grant file. This should include, but is not limited to; receipts, invoices, match documentation and other items which validate the legitimacy of every grant expense, including expenses covered by matching contributions. This means that you are required to send us one or more CDs containing computer files showing all of those items: receipts for items purchased, bid solicitations, bids, and contracts for all contractual services, copies of employee timesheets that substantiate the salary, wages, and benefits paid with grant funds, basically every document that records and validates the legitimacy of every grant expense. And, these records must be separated by reporting quarter, so that the expenses you report for Quarter 3, for example, will be supported by a document in a file or folder titled Quarter 3

Please initial _____

Once your grant ends and you submit your last report, keep everything: files, receipts, contracts, bid notices, time sheets, personnel time certifications, volunteer records, email, letters/memos, permits, grant application, progress reports, sub-award agreement, etc. for three years past the end of CFSC's master grant period. When your sub grant closes out your Grant Manager should be able to let you know how long to keep your records.

7. Financial Support

Every effort will be made to send advance payments on a regular basis, however, if CFSC does not have the funds available, payment will be delayed until CFSC receives its advance payment from the appropriate federal agency. Advance payment shall only be in the form of electronic direct deposit through ACH processing to the subrecipients' or fiscal sponsor's banking account.

Payments shall be made as identified in the Grantee Payment Request Form provided by your Grant Manager. Payments cannot be made unless and until the subrecipient can demonstrate they are in financial need of such payment to continue progress on the subaward. Regular disbursements shall not include 100% of payment in any one quarter. **The subrecipient is not entitled to payment unless and until the CALIFORNIA FIRE SAFE COUNCIL receives sufficient advance payment from the federal funding agency.**

Cost sharing for this agreement shall be in accordance with OMB A-102 and 7 CFR 3016.24.

If any program income is generated as a result of this subaward, the income shall be applied using the addition and cost-share/matching alternatives as described in 7 CFR 3016.25 and 3019.24.

8. Property Management and Disposition

Any property used or other property acquired under this agreement, including intangible property such as copyrights and patents shall be governed by the provisions of OMB A-102, and 7 CFR 3016.31-3016.34.

9. Equipment

If the subrecipient plans to purchase equipment, such as a chipper, the subrecipient must first conduct a cost-benefit study regarding the potential purchase, which would include surveying to see if there is available excess similar federal equipment; and a comparison between leasing and purchasing the identified equipment, including comparison pricing. This information must be sent to a CALIFORNIA FIRE SAFE COUNCIL Grant Manager at time of application for funding.

If the subrecipient purchases equipment having a unit cost of \$5,000 or more with a life span of more than one year, the subrecipient will be responsible for completing an "equipment schedule" every two years. The subrecipient agrees to submit a completed equipment schedule, a copy of the original receipt for the equipment, a maintenance plan and photographs of the equipment from the date of purchase and at periodic intervals afterwards, as determined by their Grant Manager. In addition the equipment in question will also be subject to a periodic physical inspection by CALIFORNIA FIRE SAFE COUNCIL.

Please initial _____

10. Programmatic Changes

The subrecipient shall obtain prior written approval from their assigned CALIFORNIA FIRE SAFE COUNCIL Grant Manager for any changes to the scope of objectives of the approved project, key personnel, location or transfer of substantive programmatic work to another party.

11. Revision of Budget and Program Plans

Modifications within the scope of this award shall be made by CALIFORNIA FIRE SAFE COUNCIL Grant Manager approval, by the issuance of a written modification, prior to any changes being implemented. Revisions to budget and/or program plans shall be made in accordance with OMB A-102, C .30 and 43 CFR 12, Subpart F, 12.925.

12. Notification

The subrecipient shall immediately notify the CALIFORNIA FIRE SAFE COUNCIL of developments that have a significant impact on activities supported under this subaward. Also, written notification shall be given in case of problems, delays or adverse conditions that materially impact the ability to meet the objectives of the subaward. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

13. Non-Liability

The CALIFORNIA FIRE SAFE COUNCIL does not assume liability for any third party claims for damages arising out of this subaward. Each party agrees that it will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other party and the results thereof. Each party, therefore, agrees, to the extent authorized by applicable laws that it will assume all risks and liability to itself, its agents or employees, for any injury to persons or property resulting from any operations of its agents or employees under this agreement, and for any loss, cost, damage, or expense resulting at any time from any and all clauses due to any acts, or negligence, or the failure to exercise proper precautions of or by itself or its own agents to this agreement.

14. Public Notices

Recognition for projects, activities and products should be included on all products developed with grant dollars. The subrecipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce the progress and accomplishments. Items such as press releases or other public notices should include a statement as follows:

“Funding provided by a grant from the Cooperative Fire Program of the U.S. Forest Service, Department of Agriculture, Pacific Southwest Region, through the California Fire Safe Council.”

“Produced in cooperation with the USDA Forest Service, which is an equal opportunity service provider and employer.”

Please initial _____

The subrecipient is required to provide copies of notices or announcements to CALIFORNIA FIRE SAFE COUNCIL as far in advance of release as possible for review and approval.

15. Use of the U.S Forest Service Insignia

In order for the subrecipient to use the U.S Forest Service insignia on any published media, such as a webpage, printed publication or audiovisual production, permission must be granted from the U.S. Forest Service's Office of Communications. A written request must be submitted and approval granted in writing by the Office of Communications (Washington Office) prior to use of the insignia.

For more information contact your Grant Manager.

16. Nondiscrimination Statement- Printed, Electronic, or Audiovisual Material

The subrecipient shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discrimination on the basis of race, color, national origin, sex, age, or disability."

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text:

"This institution is an equal opportunity provider."

17. Order of Precedence

Any inconsistency in this agreement will be resolved by giving precedence in the following order: (a) any national policy requirements and administrative management standards; (b) requirements of the applicable OMB Circulars and Treasury regulations; (c) OMB A-102; (d) 7 CFR 3016; (d) special terms and conditions; and (e) all Agreement sections, documents, exhibits, and attachments.

18. Procurement Procedures

It is a National Policy to encourage purchases with minority business firms. Efforts shall be made by recipients and subrecipients to utilize small businesses, minority-owned firms, and womens business enterprises, whenever possible. Recipients and subrecipients of Federal awards shall take all of the following steps to further this goal:

1. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

Please initial_____

3. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Development Agency in the solicitation and utilization of small business, minority-owned firms and women's business enterprises.

19. General Provisions

National Policy Requirements and Administrative Management Standards. All applicable National Policy requirements and administrative management standards as set forth in the Office of Management and Budget, Financial Management Division, Directory of Policy Requirements and Administrative Standards for Federal Aid Programs are incorporated by reference

20. Members of U.S Congress

Pursuant to 41 U.S.C. 22, no United States member of, or United States delegate to, Congress shall be admitted to any share or part of this subaward, or benefits that may arise there from, either directly or indirectly.

21. Administrative Requirements

OMB A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments, is incorporated by reference.

7 CFR 3016, Uniform Administrative Requirements for Grants and Agreements with State and Local Governments, is incorporated by reference.

22. Cost Principles

2 CFR 225, Cost Principles for State, Local and Indian Tribal Governments, is incorporated by reference.

23. Debarment & Suspension

2 CFR 180, Governmentwide Debarment and Suspension (nonprocurement) is incorporated by reference. Form AD -1048 "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion- Lower Tier Covered Transaction" must be completed with the Pre-Award packet and submitted to CALIFORNIA FIRE SAFE COUNCIL before receiving any payments. If subrecipient determines any of their key personnel, volunteers or organization has been debarred or suspended, notify CALIFORNIA FIRE SAFE COUNCIL staff immediately.

24. Restrictions on Lobbying

7 CFR 3018, New Restrictions on Lobbying is incorporated by reference.

25. Title VI of the Civil Rights Act of 1964

USDA Forest Service Form 1700-1 is incorporated by reference.

26. Audits

OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations, is incorporated by reference.

7 CFR 3052, Audits of States, Local Governments and Non-profit Organizations, is incorporated by reference.

SF-424B, Assurances – Non-construction Programs. The subrecipient certifies that it will comply with the provisions outlined in SF-424B.

2CFR 215.48 and 7 CFR 3016.60 are incorporated by reference. All contracts awarded by the subrecipient shall contain the provisions referenced in these sections.

27. Lobbying to Any Legislation

The subrecipient shall not use any part of the subaward payments from the CALIFORNIA FIRE SAFE COUNCIL as part of this subaward for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete.

28. Endorsements

The subrecipient shall not publicize or otherwise circulate, promotional material (such as advertisements, sales brochures, press releases, speeches, still and motion pictures, articles, manuscripts or other publications) which states or implies governmental, departmental, bureau, or government employee endorsement of a product, service, or position which the subrecipient represents. No release of information relating to this award may state or imply that the Government or the CALIFORNIA FIRE SAFE COUNCIL approves of the subrecipient's work products, or considers the subrecipient's work product to be superior to other products or services.

All information submitted for publication or other public releases of information regarding this project shall carry the following disclaimer:

The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the California Fire Safe Council, U.S Forest

Please initial _____

Service or the U.S. Government. Mention of trade names or commercial products does not constitute their endorsement by the California Fire Safe Council or the U.S. Government.

The subrecipient further agrees to include the above provisions regarding endorsements in a sub-subaward to any sub-subrecipient, except for a sub-subaward to a state government, a local government, or to a federally recognized Indian Tribal Government.

29. Deliverables and Reports

The subrecipient agrees to submit to their Grant Manager the following items no later than 30 days after the close of each quarter:

1. Progress and budget reports filed electronically. Progress reports shall contain information on:
 - a. A comparison of actual accomplishments to the goals established for the period. Where the output of the project can be readily expressed in numbers, a computation of the cost per unit of output may be required if that information is useful.
 - b. Reasons for delay if established goals were not met
 - c. Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
2. Photos of projects in progress.
3. Match and Expense Reports for all activities covered under the grant submitted to their Grant Manager by email attachment or other method as instructed. Do not send original receipts unless requested by your Grant Manager. All reports are due as stipulated in the schedule below; report periods are determined by the timing of the grant.

| REPORT PERIOD | Progress , Match and Expense Report Quarter Dates | DUE DATE |
|---------------|---|-------------------|
| 1 | February 1, 2013- April 30, 2013 | May 30, 2013 |
| 2 | May 1-July 31, 2013 | August 31, 2013 |
| 3 | August 1-October 31, 2013 | November 30, 2013 |
| 4 | November 1, 2013- January 31, 2013 | February 28, 2014 |
| 5 | February 1- April 30, 2014 | May 31, 2014 |
| 6 | May 1- July 31, 2014 | August 31, 2014 |
| 7 | August 1- October 31, 2014 | November 30, 2014 |
| 8 | November 1, 2014- February 28, 2015 * | March 31, 2015 |

**This is the only reporting period with four months.*

Progress and budget reports shall be filed electronically with the CALIFORNIA FIRE SAFE COUNCIL and are to be available at www.grants.firesafecouncil.org and/or www.firesafecouncil.org. The subrecipient shall send photos, outreach products and source match documentation by mail directly to their Grant Manager at the address below.

Please initial _____

| | | |
|---|---|--|
| Katie Ziemann Grant Manager So. California region | California Fire Safe Council 502 W. Route 66, Suite 17 Glendora, CA 91740 | San Diego, Riverside, Orange, San Bernardino, Santa Barbara, Los Angeles, and Ventura. |
| Liron Galliano Grant Manager Southern Sierra region | California Fire Safe Council 5834 Price Avenue, Suite 101 McClellan, CA 95652 | Sonoma, Marin, San Mateo, Napa, San Benito, Santa Clara, Alameda, Contra Costa, Solano, Santa Cruz, San Francisco, , Mendocino, Placer, El Dorado, Sacramento, Amador, Calaveras, Alpine, Stanislaus, Tuolumne, Mariposa, Mono, Fresno, Tulare, Inyo, Madera, King, Kern, Monterey, and San Luis Obispo. |
| Dan Lang Grant Manager Northern Sierra region | California Fire Safe Council 5834 Price Avenue, Suite 101 McClellan, CA 95652 | Modoc, Shasta, Del Norte, Humboldt , Trinity, Lake, Yolo Lassen, Tehama, Plumas, Siskiyou, Glenn, Butte, Sierra, Yuba, Nevada, Eastern Placer, Eastern El Dorado and Nevada counties in the Lake Tahoe Basin. |

Note: Failure to submit the above reports by the deadlines shall be a basis for withholding payments until reports are received.

30. Site Visit and Grant Review

CFSC Grant Managers may conduct a site visit once in the life of the grant. The site visit may last one full day depending on the number and location of projects. Your Grant Manager will contact you and/or your fiscal sponsor to setup a date for a visit and to notify you of the items they will be reviewing. Some items that need to be available for review are:

- a. Grant fund accounting
- b. Salary expense documentation
- c. Match and Expense Documentation
- d. Other source documentation for project expenses
- e. Other items as needed

31. Grant Close-out

Within 30 days of project completion, the subrecipient agrees to provide the CALIFORNIA FIRE SAFE COUNCIL with the following:

A. Items to be sent to Katie Ziemann

- 1. One original and one copy of each educational or outreach product developed with grant dollars.
- 2. Close-out report
- 3. Final progress report submitted online
- 4. An electronic copy of the entire contents of the grant file. This should include, but is not limited to; receipts, invoices, match documentation and other items which validate the legitimacy of every grant expense, including expenses covered by matching contributions. This means that you are required to send us one or more CDs containing computer files showing all of those items: receipts for items purchased, bid solicitations, bids, and

Please initial _____

contracts for all contractual services, copies of employee timesheets that substantiate the salary, wages, and benefits paid with grant funds, basically every document that records and validates the legitimacy of every grant expense. And, these records must be separated by reporting quarter, so that the expenses you report for Quarter 3, for example, will be supported by a document in a file or folder titled Quarter 3.

5. For fuel modification projects, subrecipients are required to collect Global Positioning System (GPS) data on the final treatment area. From that they will create a Geographic Information System (GIS) "shape file" and send it, along with a project information form, to the CALIFORNIA FIRE SAFE COUNCIL Grant Manager. Instructions for transmitting the shape file and project information to CALIFORNIA FIRE SAFE COUNCIL will be provided to you by your Grant Manager. Once they have been received they will be forwarded to CAL FIRE for inclusion into their statewide fuel treatment database.

Failure to comply with all closeout procedures can be considered noncompliance with the terms of the subaward. Such noncompliance may be considered in the evaluation of organizational capacity for future subawards.

B. Items to be sent to Glendora Office

1. Confidential Close-out survey sent to Executive Director Margaret Grayson
2. A check made payable to CALIFORNIA FIRE SAFE COUNCIL for any unused grant funds
3. A check made payable to CALIFORNIA FIRE SAFE COUNCIL for interest earned in excess of \$250

32. Key Contacts

California Fire Safe Council

Katie Ziemann
Grant Manager
502 W.Route 66 Ste 17, glendora ca 91740
(626) 335-7426 ph.
(626) 335-4678 fax

Executive Director
Margaret Grayson
502 W. Route 66, Suite 17
Glendora, CA 91740

Orange County Fire Authority

Jay Barkman
1 Fire Authority Road Irvine Ca 92602
714573-6048 ph.
jaybarkman@ocfa.org

Please initial _____

33. How to submit this Subaward Agreement to CALIFORNIA FIRE SAFE COUNCIL

1. Initial every page of the original subaward document.
2. An authorized representative for the organization must sign the signature page on the original subaward document. If applicable, an authorized representative from the fiscal sponsor must sign the signature page. (You may keep the COPY of the subaward for your records)
3. Return the ENTIRE original subaward document, with the following attachments:
 - A. ACH Processing Form (*Faulty or inaccurate information will delay payments, please notify CALIFORNIA FIRE SAFE COUNCIL of any bank information changes*)
 - B. Estimated payment and match schedule form
4. Mail all documents to the CALIFORNIA FIRE SAFE COUNCIL at:

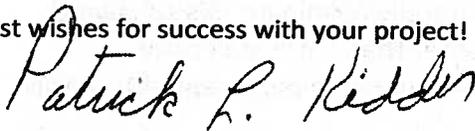
California Fire Safe Council, 502 W. Route 66, Suite 17 Glendora, CA 91740.

34. Attachments to the Subaward

1. Grant Proposal
2. Application
3. Additional Subaward Grant provisions
4. Project Maps
5. Environmental Compliance information (if applicable)

Please note: Due to the widespread fire danger in California and extreme demand for these limited grant funds, please sign and return this agreement to the CALIFORNIA FIRE SAFE COUNCIL at your earliest convenience. **If we do not receive the signed copy of the agreement within thirty (30) days of the date of this letter, the CALIFORNIA FIRE SAFE COUNCIL may redirect these grant funds to another project.** If you anticipate any difficulty in meeting this condition, please contact your Grant Manager immediately to discuss your situation.

Best wishes for success with your project!



Pat Kidder
Chairman for California Fire Safe Council, Inc.

2-28-13
Date

Jay Barkman
for Orange County Fire Authority

Date

Please initial _____

ATTACHMENT A: ADDITIONAL SUBAWARD PROVISIONS

A. Trafficking In Persons:

1. Provisions applicable to a subrecipient that is a private entity.
 - a. You as the subrecipient, and your employees may not:
 - i. Engage in severe forms of trafficking in persons during the period of time the subaward is in effect;
 - ii. Procure a commercial sex act during the period of time that the subaward is in effect; or
 - iii. Use forced labor in the performance of subawards under the subaward.
 - b. CALIFORNIA FIRE SAFE COUNCIL may unilaterally terminate this subaward, without penalty, if you as the subrecipient that is a private entity:
 - i. Is determined to have violated a prohibition in paragraph a.1. of this subaward; or
 - ii. Has an employee who is determined by the CALIFORNIA FIRE SAFE COUNCIL to have violated a prohibition in paragraph a.1 of this subaward term through conduct that is either-
 1. Associated with performance under this subaward; or
 2. Imputed to using through standards and due process for imputing the conduct of an individual to an organization that is provided in 2 CFR 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," as implemented by USFS at 7 CFR 3017.
2. Provision applicable to a subrecipient other than a private entity.

CALIFORNIA FIRE SAFE COUNCIL may unilaterally terminate this subaward, without penalty, if a subrecipient that is other than a private entity-

 - a. Is determined to have violated a prohibition in paragraph a.1. of this subaward; or
 - b. Has an employee who is determined by the CALIFORNIA FIRE SAFE COUNCIL to have violated a prohibition in paragraph a.1 of this subaward term through conduct that is either-
 1. Associated with performance under this subaward; or
 2. Imputed to using through standards and due process for imputing the conduct of an individual to an organization that is provided in 2 CFR 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," as implemented by USFS at 7 CFR 3017.

Please initial _____

3. Provisions applicable to any subrecipient:
 - a. You must inform CALIFORNIA FIRE SAFE COUNCIL immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1. of this subaward term.
 - b. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104 (g)) , and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this subaward.
4. Definitions. For purposes of this subaward:
 - a. "Employee" means either:
 1. A individual employed by you or a subrecipient who is engaged in the performance of the project or program under this subaward; or
 2. Another person engaged in the performance of the project or program under this subaward and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
 - b. "Forced labor" means labor obtained by any of the following methods; the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
 - c. "Private entity"
 1. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25
 2. Includes:
 - a. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b)
 - b. A For-profit organization
 - d. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

Please initial _____

B. Drug-Free Workplace

1. The subrecipient agree(s) that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of this subaward. This statement must
 - a. Tell all employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
 - b. Specify actions the subrecipient will take against employees for violating that prohibition; and
 - c. Let each employee know that, as a condition of employment under any instrument, he or she
 - i. Must abide by the terms of the statement, and
 - ii. Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.
2. The subrecipient agree(s) that it will establish an ongoing drug-free awareness program to inform employees about
 - a. The dangers of drug abuse in the workplace;
 - b. Your policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation and employee assistance programs; and
 - d. The penalties that you may impose upon them for drug abuse violations occurring in the workplace.
3. Without the CALIFORNIA FIRE SAFE COUNCIL's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this subaward.
4. The subrecipient agree(s) to notify the CALIFORNIA FIRE SAFE COUNCIL if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title,

Please initial _____

and the subaward agreement number on which the employee worked. The notification must be sent to the CALIFORNIA FIRE SAFE COUNCIL within ten calendar days after the subrecipient learn(s) of the conviction.

5. Within 30 calendar days of learning about an employee's conviction, the subrecipient must either
 - a. Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, or
 - b. Require the employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

Please initial _____

DISCUSSION CALENDAR - AGENDA ITEM NO. 6
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Rosenow Spevacek Group, Inc. (RSG) Final Property Tax Revenue Projections**

Summary:

This item is submitted to provide RSG's final report on five-year property tax revenue projections.

Recommended Action:

Receive and file the report.

Background:

The Orange County Fire Authority has contracted with the firm of RSG for seventeen years to project the anticipated "Fire Fund" property tax revenues from our fifteen (15) structural fire fund cities and the County unincorporated areas. These projections are used for long-term financial planning and budgeting.

Historically, RSG's method of projecting SFF property tax revenue has been rather straightforward – increase the value of existing structures by the Constitutional maximum of 2%, adjust these values to account for increases in value due to resales, and add in the value of new development. In years past, this method has generally yielded conservative estimates of property tax receipts, with actual revenue growth usually exceeding the projection (Attachment 1).

However, during the recent recession, new techniques have been required. RSG had to predict what appreciation (or depreciation) rate might be set by the State Board of Equalization (BoE), how the County Assessor might reassess existing structures, and whether resales might actually decrease assessed values. With so many unknown factors and no comparable historical benchmark to follow, RSG developed several models to forecast our revenue. Initially they overstated the revenue change (FY 08/09 and 09/10), but then returned to their usual pattern of conservative projections (FY 10/11 and 11/12). With the recession ended and housing showing signs of modest recovery, RSG has returned to their previous practices to estimate our property tax growth.

On December 31, 2012, the BoE set the statewide appreciation rate at 2.0%, the Constitutional maximum. In addition, for all the SFF jurisdictions the resale of existing properties and new construction has resulted in positive gains in valuation. Together, the statewide appreciation rate and their median value analysis lead RSG to set the FY 13/14 growth factor at 1.75% to which the new construction and resale values were added, generating the FY 13/14 forecasted secured property tax growth of 2.99%.

For the outer years, RSG compared the growth in median home prices within the SFF and within the County as a whole and adjusted the annual growth factors accordingly. Therefore, for years 3 through 6, secured property tax revenues are anticipated to grow by 3.02% in FY 14/15, 4.18% in FY 15/16, 4.37% in FY 16/17, and 4.15% in FY 17/18.

The bulk of unsecured value is comprised of business property. These assets are more susceptible to variations in valuation, can be moved from one jurisdiction to another, and are not included in the Teeter Plan. Therefore, although unsecured revenues declined by 0.48% in FY 12/13 overall (with some jurisdictions showing an increase and others showing a decrease), RSG projects unsecured property tax revenue to remain unchanged during the forecast years.

Impact to Cities/County:

Since property taxes account for 64% of OCFA's General Fund revenue, these projections impact the level of financial resources available to provide operational resources to OCFA's member cities and the county.

Fiscal Impact:

The fiscal impact of these projections is described in a separate agenda item, titled "Review of the 2013/14 Draft Proposed Budget".

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Attachments:

1. Historical Trends in RSG Secured Property Tax Revenue Growth Projections vs. Actual Secured Property Tax Growth
2. Five-Year Revenue Projections for OCFA Fire Fund Jurisdictions

**Historical Trends in RSG Secured Property Tax Revenue Growth Projections
vs. Actual Secured Property Tax Growth**

| | FY 04/05 | FY 05/06 | FY 06/07 | FY 07/08 | FY 08/09† | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
|-------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1997 Report | 2.53% | 1.99% | | | | | | | | |
| 1998 Report | 4.38% | 4.07% | 4.09% | | | | | | | |
| 1999 Report | 4.53% | 4.47% | 4.31% | 4.00% | | | | | | |
| 2000 Report | 4.91% | 5.06% | 5.04% | 4.93% | 4.93% | | | | | |
| 2001 Report | 4.76% | 4.31% | 4.19% | 3.51% | 3.21% | | | | | |
| 2002 Report | 4.77% | 3.81% | 4.72% | 3.94% | 3.91% | | | | | |
| 2003 Report | 5.19% | 4.89% | 4.10% | 2.74% | 2.51% | | | | | |
| 2004 Report | 8.95% | 7.64% | 5.17% | 3.59% | 3.00% | | | | | |
| 2005 Report | | 8.29% | 5.07% | 4.24% | 4.48% | 3.84% | | | | |
| 2006 Report | | | 9.24% | 5.65% | 9.40% | 8.91% | 7.29% | | | |
| 2007 Report | | | | 6.68% | 7.46% | 8.64% | 8.58% | 5.72% | | |
| 2008 Report | | | | | 5.10% | 3.38% | 3.82% | 4.04% | 4.62% | |
| 2009 Report | | | | | | 0.16% | 1.28% | 1.12% | 2.84% | 3.34% |
| 2010 Report | | | | | | | -2.27% | -0.77% | 0.39% | 1.41% |
| 2011 Report | | | | | | | | -0.08% | 1.13% | 2.70% |
| 2012 Report | | | | | | | | | 0.71% | 1.25% |
| 2013 Report | | | | | | | | | | 2.99% |
| Actual | 10.13% | 11.61% | 11.03% | 10.77% | 3.18% | -2.20% | -0.88% | 0.78% | 1.73%* | |

† - Initially RSG was performing 10-year projections, but in 2001 they began reducing to the current 5-year projection period.

* - Estimated total revenue based on actual receipts received through March 12, 2013.

**ORANGE COUNTY FIRE AUTHORITY
1 FIRE AUTHORITY ROAD, IRVINE, CA 92602**



**ORANGE COUNTY FIRE AUTHORITY
STRUCTURAL FIRE FUND**

**2012-13 FIVE YEAR PROPERTY TAX REVENUE
PROJECTIONS**

April 11, 2013

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INTRODUCTION & REVENUE SUMMARY

The Orange County Fire Authority (“OCFA”) has retained the services of Rosenow Spevacek Group, Inc. (“RSG”) to prepare five-year property tax revenue projections (“Projections”) for the OCFA’s Structural Fire Fund. The Projections are designed to assist OCFA in its long-term planning and budgeting process by providing a forecast of OCFA’s potential ad valorem property tax revenues for fiscal years 2012-13 through 2017-18. Ad valorem property tax revenues are projected based upon OCFA’s fiscal year 2012-13 share of the 1% general tax levy applied to the forecasted change in assessed valuations. Key factors analyzed in this Report which affect future assessed valuations include:

- Real property sales for 2012 and through March 2013
- New building improvements
- Proposition 8 reassessments
- Applied growth rates (either positive or negative)

This analysis excludes revenues from redevelopment project area except those revenues derived from base year values.

The Structural Fire Fund member jurisdictions (“Jurisdictions”), from which OCFA receives a portion of the ad valorem property taxes, include 15 Orange County cities and the County’s unincorporated territory. The Jurisdictions are:

- | | |
|-----------------|--------------------------------|
| ▪ Aliso Viejo | ▪ La Palma |
| ▪ Cypress | ▪ Los Alamitos |
| ▪ Dana Point | ▪ Mission Viejo |
| ▪ Irvine | ▪ Rancho Santa Margarita |
| ▪ Laguna Hills | ▪ San Juan Capistrano |
| ▪ Laguna Niguel | ▪ Villa Park |
| ▪ Laguna Woods | ▪ Yorba Linda |
| ▪ Lake Forest | ▪ Orange County Unincorporated |

**Figure A
OCFA Proportional Revenue by Jurisdiction
FY 2012-13**

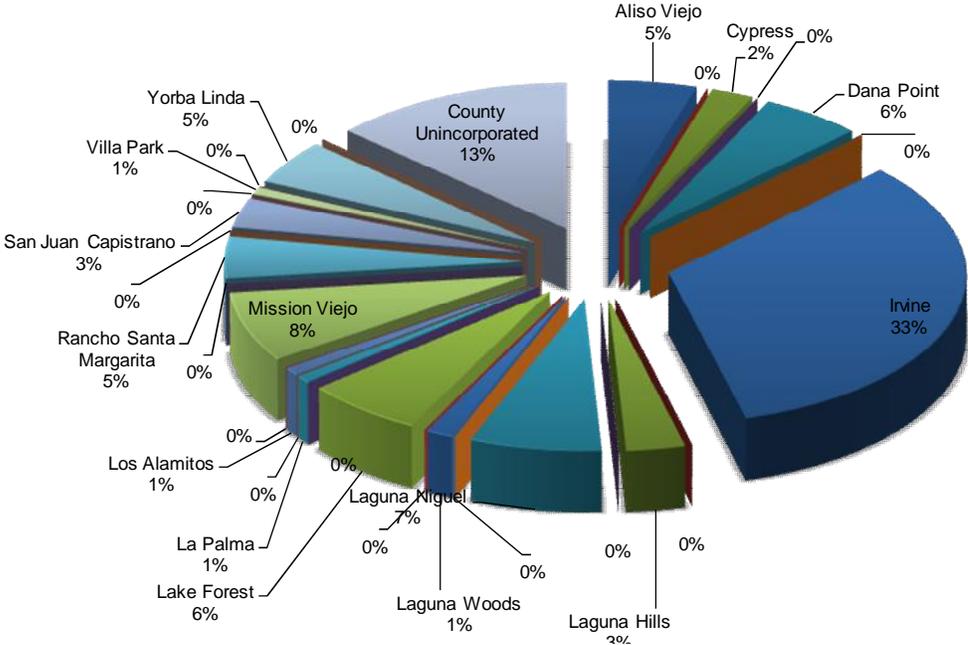


Figure A illustrates the expected proportional share of property tax revenue allocated to the OCFA from each of the Jurisdictions for fiscal year 2012-13. Approximately 50% of the ad valorem property tax revenues allocated to OCFA are generated from the City of Irvine and the County unincorporated territory.

Table A on the following page summarizes RSG’s ad valorem property tax revenue projections prepared for OCFA beginning with fiscal year 2012-13 and ending with fiscal year 2017-18.

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

TABLE A: PROJECTED REVENUES - FY 2012-13 THROUGH FY 2017-18

| JURISDICTION | CURRENT YEAR | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| City of Aliso Viejo | \$8,752,144 | \$8,973,995 | \$9,177,050 | 9,465,621 | 9,797,858 | 10,124,431 |
| City of Cypress | 4,168,263 | 4,297,539 | 4,388,292 | 4,517,469 | 4,666,193 | 4,812,381 |
| City of Dana Point | 9,991,799 | 10,332,968 | 10,566,205 | 10,931,241 | 11,337,178 | 11,719,880 |
| City of Irvine | 59,635,861 | 61,350,396 | 63,623,196 | 66,631,713 | 69,677,784 | 72,772,128 |
| City of Laguna Hills | 5,676,533 | 5,807,435 | 5,946,146 | 6,195,176 | 6,414,951 | 6,630,979 |
| City of Laguna Niguel | 12,683,452 | 13,028,982 | 13,376,626 | 13,965,991 | 14,469,047 | 14,963,527 |
| City of Laguna Woods | 2,560,635 | 2,629,389 | 2,691,560 | 2,778,112 | 2,877,761 | 2,975,711 |
| City of Lake Forest | 11,444,359 | 11,808,564 | 12,090,089 | 12,583,942 | 13,296,142 | 14,042,114 |
| City of La Palma | 1,337,675 | 1,369,227 | 1,400,708 | 1,443,561 | 1,492,898 | 1,541,394 |
| City of Los Alamitos | 1,580,110 | 1,623,000 | 1,658,924 | 1,738,030 | 1,800,309 | 1,857,966 |
| City of Mission Viejo | 13,734,855 | 14,155,000 | 14,480,775 | 14,967,919 | 15,582,099 | 16,150,830 |
| City of RSM | 8,207,842 | 8,393,326 | 8,582,663 | 8,853,124 | 9,164,512 | 9,470,591 |
| City of SJC | 5,878,337 | 6,087,053 | 6,340,825 | 6,663,647 | 6,987,716 | 7,223,181 |
| City of Villa Park | 1,423,850 | 1,490,675 | 1,527,079 | 1,576,676 | 1,633,777 | 1,689,906 |
| City of Yorba Linda | 8,790,532 | 9,096,130 | 9,398,397 | 9,785,412 | 10,206,440 | 10,659,597 |
| County Unincorporated | 23,902,656 | 24,485,810 | 25,049,430 | 25,851,859 | 26,873,579 | 27,904,682 |
| TOTAL PROJECTED PROPERTY TAX REVENUE | \$179,768,902 | \$184,929,487 | \$190,297,967 | \$197,949,493 | \$206,278,242 | \$214,539,297 |
| % Change in Secured Property Tax Revenue | 0.509% | 2.991% | 3.021% | 4.180% | 4.367% | 4.150% |
| % Change in Unsecured Property Tax Revenue | -2.223% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |

This Report provides a narrative description and discussion of the approach, methodology, assumptions, and research findings used to prepare the Projections.

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

The revenue projections contained in this Report detail annual property tax revenues that may be generated by each of the Jurisdictions between fiscal year 2012-13 and fiscal year 2017-18. The following figures and tables are included to support the Report’s findings:

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NOTE: Throughout this report, tables and figures that are titled the “Orange County Fire Authority” are referring to the Jurisdictions of the Structural Fire Fund. Other tables and figures labeled “Orange County” provide information for the entire County area.

APPROACH & METHODOLOGY

APPROACH

RSG's approach to developing the Projections generally involved:

- Utilizing actual fiscal year 2012-13 assessed valuations and tax rates as the basis for projecting future revenues;
- Adding new taxable valuation from real property construction and resales to actual fiscal year 2012-13 assessed valuations; and
- Developing and applying annual secured and unsecured assessed valuation growth/deflation rates as an estimate of future changes in assessed valuation resulting from property resales, market fluctuations, and the annual inflationary factor (capped at 2% per California Proposition 13).

RSG believes that the growth rates contained in this Report provide realistic projections of OCFA's fiscal year 2012-13 through 2017-18 property tax revenues. However, in order to minimize the likelihood of overstating future property tax revenues, RSG integrated conservative assumptions and methodologies where appropriate.

METHODOLOGY

The Report and Projections were developed by researching, analyzing, including the following sources and information:

- Historical and current assessed valuations and tax revenue data for each Jurisdiction in order to establish historical trends. Secured, unsecured and public utility values were gathered using Orange County Auditor-Controller ("County Auditor") reports for fiscal year 2012-13.
- Redevelopment project area "base year" assessed valuations were identified and included in the Projections, but intentionally excluded from application of the inflationary growth factors. All incremental assessed valuations from redevelopment project areas were identified and excluded from the Projections (i.e. the Projections do not account for redevelopment agency pass-through payments to OCFA).
- Historical property tax delinquency rates were collected from the County Auditor and tabulated for informational purposes. The OCFA is a Teeter agency; therefore, no adjustments for delinquencies have been made to the Projections.
- Real property sales activity for each of the Jurisdictions, (excluding property transactions in redevelopment project areas) that occurred between January 1, 2012 and March 12, 2013 was collected and analyzed for the estimated increase/decrease in assessed valuation resulting from the difference between secured assessed value and the new sales price. The data was obtained via Metroscan, a product of First American Title Company.
- Data on outstanding and finaled building permits with a minimum construction value of \$50,000 for taxable projects and property improvements not within redevelopment project areas was collected. Improvement valuations were added to the base valuations in fiscal years 2013-14 through 2015-16.
- Based on discussions and information received from city staffs, developers, and real estate professionals, construction projects commenced and/or completed after January 1, 2012, and corresponding estimated assessed values, were identified. In addition, information on approved construction (entitled) projects not yet commenced, as well as potential new residential and nonresidential development projects still pending review, was collected (excluding projects within redevelopment project areas), including projected assessed values. Due to the discretionary nature of projects in-review, construction completion dates and projected assessed values were conservatively estimated.

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

- Secured and unsecured owner-initiated open and closed assessment appeals information from the County of Orange Clerk of the Board ("Clerk of the Board") was collected and analyzed. This information was not applied to secured or unsecured assessed valuation in the revenue projections, but was utilized as additional anecdotal information to confirm growth rate assumptions.
- The historical five year property owner initiated assessment appeal requests were reviewed. This information, while not applied to secured assessed valuation in the revenue projections, was also utilized as additional anecdotal information to confirm growth rates.
- Trended growth rates were developed to estimate annual changes in assessed valuation resulting from changes in the California Consumer Price Index ("CCPI"), resales activity, and Proposition 8 Assessor initiated reassessments and property owner assessment appeals. A number of economic indicators and market factors that influence the annual percentage change in assessed values were researched prior to developing growth rates. Factors include:
 - Information from the Chapman University and University of California, Los Angeles ("UCLA") 2013 Economic Forecasts;
 - *Emerging Trends in Real Estate 2013* by the Urban Land Institute;
 - Case-Shiller Index;
 - Actual change in median home prices within SFF communities between January 2012 and February 2013 vs. median home prices for Orange County as whole during this same time period;
 - Historical values following the economic recovery of the late 1990's/early 2000's;
 - Unemployment rates;
 - The latest figures for the CCPI;
 - Non-recorded sales;
 - Foreclosures;
 - Assessment appeals; and
 - CB Richard Ellis' MarketView Office and Industrial Reports, Fourth Quarter 2012.

REVENUE SOURCES NOT CONTEMPLATED IN THE PROJECTIONS

The Projections do not include potential revenues from the following sources:

- Redevelopment agency pass-through payments to OCFA as a result of either negotiated tax sharing agreements or from assessment roll increases above base year values.
- Orange County delinquency collection fees and appeal refunds (OCFA is a Teeter agency).
- Supplemental property tax revenue which is generated by the increase in assessed valuation when new construction or property sales occur after the January 1st lien date. In this situation, the property owner is issued a supplemental tax bill on a pro-rata basis for the period between the property sale or construction completion date and the end of the tax year.

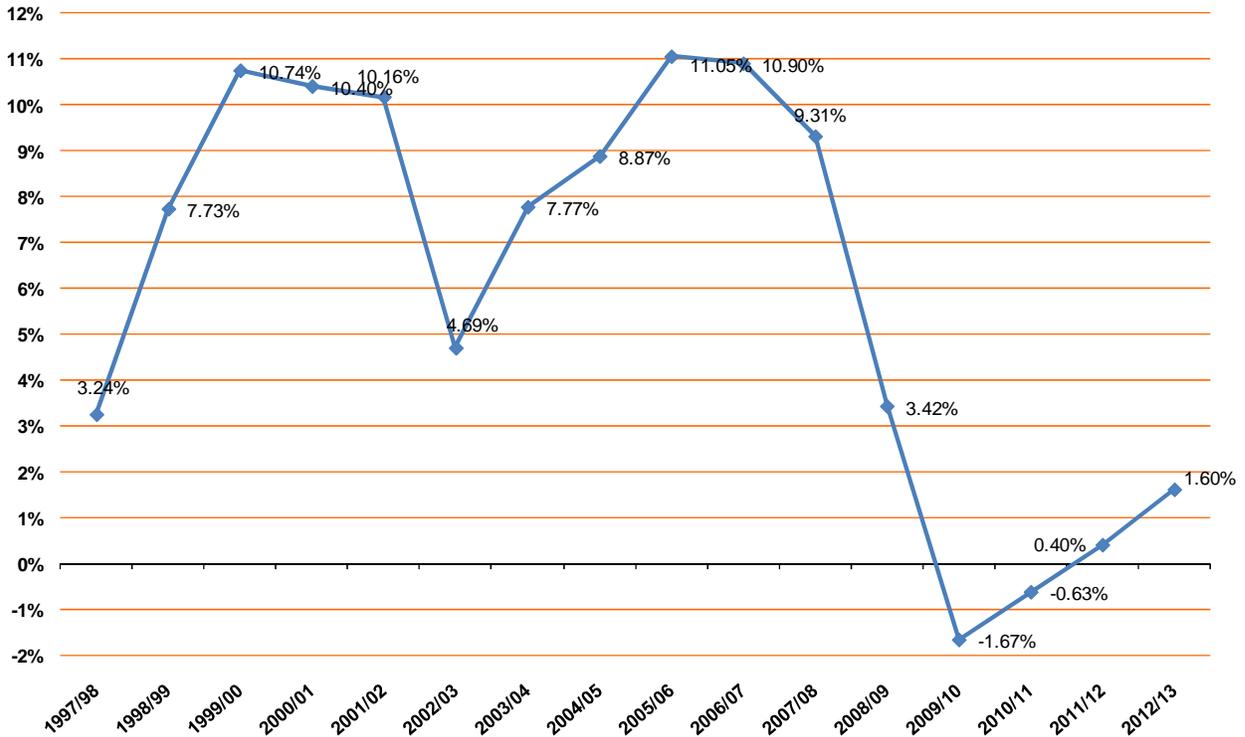
2012-13 ASSESSED VALUATIONS AND TAX RATES

The Projections begin with actual 2012-13 assessed valuations provided by the Orange County Auditor-Controller. Fiscal year 2012-13 is the most current year for which assessed valuations are available and serve as the basis for projecting fiscal year 2013-14 assessed valuations. The Projections subsequently build upon the prior year’s projected assessed valuations. For those Jurisdictions with redevelopment project areas, the assessed valuations utilized in the Projections are net of incremental assessed valuation, or assessed valuation in excess of the base year assessed valuation as a result of property value growth.

The total assessed valuation of the Jurisdictions (net of redevelopment incremental assessed valuation) for fiscal year 2012-13 is \$155.5 billion, representing a 0.36% increase in total assessed valuation over fiscal year 2011-12. More specifically, the secured assessed valuation increased by 0.51% while the unsecured assessed valuation decreased by 2.22% between fiscal year 2011-12 and 2012-13. Secured assessed value is by far the most important property value component for OCFA with a total 2012-13 value of \$147.8 billion of the \$155.5 billion total roll value used in calculating OCFA’s ad valorem property tax revenues (net of the CRA value). The 2012-13 unsecured assessed value totals just \$5.8 billion (also net of CRA value). CRA secured and unsecured assessed value totals \$1.9 billion of the \$155.5 billion of total assessed valuation.

Figure B provides a historical view of the change in assessed valuation for the Jurisdictions beginning with fiscal year 1997-98. The assessed valuation for the Jurisdictions have continued to increase since 2009-10 with an overall growth of 1.60 percent over the last fiscal year.

**Figure B
Historical Changes in Assessed Valuation (Excludes RDA Increment)
Orange County Fire Authority**



Source: Orange County Auditor Controller

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

In addition to actual 2012-13 assessed valuations, the Projections also utilize fiscal year 2012-13 tax rates. The Projections assume a 1% general levy tax rate. The amount of property tax revenue to be allocated to OCFA is determined based upon OCFA's fiscal year 2012-13 share of the 1% general tax levy. Annual changes in OCFA's share of the 1% general levy do occur but are unpredictable; nonetheless, changes, if any, are typically nominal and have little impact on OCFA's property tax revenues.

Table B provides a summary of the 2012-13 OCFA tax rates utilized throughout the duration of the Projections. **OCFA's fiscal year 2012-13 weighted tax rate is 11.56%.**

TABLE B: FY 2012-13 TAX RATES BY JURISDICTION

| Jurisdiction | Total Assessed Value | 1% of Total AV | Revenue | Tax Rate |
|------------------------|--------------------------|-------------------------|-----------------------|---------------|
| Aliso Viejo | \$ 7,605,524,301 | \$ 76,055,243 | \$ 8,752,144 | 11.51% |
| Cypress | 4,577,390,711 | 45,773,907 | 4,168,263 | 9.11% |
| Dana Point | 8,844,363,956 | 88,443,640 | 9,991,799 | 11.30% |
| Irvine | 48,040,400,070 | 480,404,001 | 59,635,861 | 12.41% |
| Laguna Hills | 5,487,040,330 | 54,870,403 | 5,676,533 | 10.35% |
| Laguna Niguel | 12,116,601,329 | 121,166,013 | 12,683,452 | 10.47% |
| Laguna Woods | 2,193,624,367 | 21,936,244 | 2,560,635 | 11.67% |
| Lake Forest | 9,960,461,775 | 99,604,618 | 11,444,359 | 11.49% |
| La Palma | 1,305,149,662 | 13,051,497 | 1,337,675 | 10.25% |
| Los Alamitos | 1,638,192,752 | 16,381,928 | 1,580,110 | 9.65% |
| Mission Viejo | 12,257,156,280 | 122,571,563 | 13,734,855 | 11.21% |
| Rancho Santa Margarita | 6,679,191,088 | 66,791,911 | 8,207,842 | 12.29% |
| San Juan Capistrano | 4,960,783,500 | 49,607,835 | 5,878,337 | 11.85% |
| Villa Park | 1,398,666,415 | 13,986,664 | 1,423,850 | 10.18% |
| Yorba Linda | 9,301,832,170 | 93,018,322 | 8,790,532 | 9.45% |
| County Unincorporated | 19,142,742,506 | 191,427,425 | 23,902,656 | 12.49% |
| Total | \$155,509,121,212 | \$ 1,555,091,212 | \$ 179,768,902 | 11.56% |

Sources: Orange County Assessor and Auditor-Controller

NEW VALUATION FROM CONSTRUCTION AND SALES TRANSACTIONS

A major component of RSG's methodology for projecting property tax revenues to be allocated to OCFA is the change in valuation that is added to and subtracted from the 2012-13 assessed valuation base as a result of new construction and real property sale transactions.

SUMMARY OF NEW CONSTRUCTION

As described in the Approach and Methodology section of this Report, RSG completed written and phone interviews with planning and building staff from each Jurisdiction, developers, and real estate professionals to ascertain information regarding construction projects completed, or to be commenced, after January 1, 2012.

RSG researched and collected information regarding real property construction that was completed during calendar year 2012. Valuation from such construction will result in an increase in assessed valuation on the

2013-14 tax roll. Additionally, information was collected regarding construction that is anticipated to be completed between January 1, 2013 and December 31, 2016. New assessed valuation included in the Projections for construction completed during 2012 is based upon building permit data collected from each of the Jurisdictions. Building improvements projected to be complete after calendar year 2012 but before 2017 are generally based upon outstanding building permits, entitled projects without pulled building permits, and projects undergoing city/planning commission review as reported by the Jurisdictions.

Assumptions for New Values from Construction

A major portion of RSG's work involved close coordination with city planning and building staffs to research and collect data that is substantially consistent from city to city. For purposes of this Report, RSG used the following assumptions to research, identify, and project future assessed valuations resulting from new building improvements.

- Only building permits for property improvements outside of redevelopment project areas and with a minimum estimated construction value of \$50,000 were included in the Projections. All Jurisdictions except Cypress, San Juan Capistrano and Villa Park provided building permit information.
- Unless otherwise specified by city staff, outstanding building permits (issued but not finalized) were assumed to be finalized 12 months from the date of issuance. If building permits were issued during calendar year 2012 but not finalized as of January 2013, RSG assumed such building permits would be finalized during calendar year 2013 yielding new valuation beginning in fiscal year 2014-15.
- Estimated project valuations provided by city staff or project developers for entitled and in-review projects were utilized when available and deemed appropriate. In all other circumstances, Marshall Valuation Service's current per-square-foot development cost estimates¹ were used for estimating project valuations.
- Whenever appropriate, conservative approaches and estimates were used to project valuations from building permit activity and planned development projects requiring RSG to use its discretion on a case-by-case basis. Examples include:
 - Unless RSG was specifically aware of new ground-up construction that would require first-time tenant improvements, building permits for tenant improvements, regardless of whether the construction value exceeded \$50,000, were excluded. In the absence of new commercial or industrial construction, tenant improvements may result from tenant turnover and may not generate a substantial net increase in assessed value after removing existing improvements.
 - If developers and/or city planning and building staff expressed significant uncertainty about the anticipated completion of planned development projects before or during calendar year 2015, the project was excluded from the Projections.

New Valuation from Construction

Construction activity in the Jurisdictions increased in 2012 as compared to 2011. **Residential building activity was greater than non-residential building activity with completed residential building permits accounting for approximately \$327.4 million in new valuation while completed commercial, industrial, and office building permits accounted for \$58.4 million in new valuation.**²

¹ Published by Marshall & Swift/Boeckh, LLC.

² Completed permit valuations include improvement in excess of \$50,000 and therefore do not solely represent new construction starts. Completed permit valuations are an estimate only. Not all jurisdictions reported finalized permits in which case RSG relied on building permit issuance summaries from the Construction Research Industry Board to estimate completed permits.

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

Based on discussions with planning and building staff in November 2012 and March 2013, the five-year outlook on new building construction is being met with cautious optimism. Staff reports that development proposal have slowly increased, indicating a slow uptick in construction. This is perhaps most evident with the building activity in the City of Irvine. Table C provides a summary projection of new valuation from construction activity for the Jurisdictions.

TABLE C: PROJECTED VALUATION FROM NEW CONSTRUCTION

| Fiscal Year | Projected New Valuation | | | |
|-------------|-------------------------|-------------------|--------------------|-----------------|
| | Building Permits | Approved Projects | In-Review Projects | Total |
| FY 2013-14 | \$385,852,238 | \$0 | \$0 | \$385,852,238 |
| FY 2014-15 | \$231,227,359 | \$863,662,512 | \$0 | \$1,094,889,871 |
| FY 2015-16 | \$310,585,246 | \$1,162,424,915 | \$7,558,305 | \$1,480,568,466 |
| FY 2016-17 | \$0 | \$1,061,588,309 | \$162,605,311 | \$1,224,193,620 |
| FY 2017-18 | \$0 | \$1,018,011,326 | \$207,349,950 | \$1,225,361,276 |

Projected new valuation identified under “Approved Projects” for fiscal years 2014-15 through 2016-17 in Table C, is primarily attributable to anticipated building activity in the City of Irvine³. To project new valuation from approved (entitled) projects for the City of Irvine, RSG relies on the City’s development projections which are updated semi-annually in the document *Future Projection Status by Zoning Code* dated April 1, 2013.

SUMMARY OF SALES TRANSACTIONS

The difference between a property’s sales price and the currently enrolled assessed value of the property is assumed to be the net change (positive or negative) to such property’s assessed valuation that would appear on the subsequent year’s assessment roll. In a growing economy, sales transactions usually result in an increase in taxable value as new sales prices are expected to exceed existing assessed values. However, in the last few years, recent widespread increases in foreclosures and declines in property valuations had resulted in losses of assessed value in the case of many transactions. Fortunately, while some resale transactions continue to occur for losses of assessed valuation, the Jurisdictions are showing an overall positive net increase in value from resale activity in calendar year 2012 and through mid-March 2013.

Resales

RSG collected and analyzed information for real property resale activity that occurred between January 1, 2012 and March 12, 2013. The change in assessed valuation resulting from sales occurring inside redevelopment project areas were excluded from the Projections. As indicated in Table D, based on this analysis, sales transactions are expected to have an overall positive impact on fiscal year 2013-14 assessed valuations. Additionally, sales transactions from January through March 12, 2013, are expected to have an overall positive impact on fiscal year 2014-15 assessed valuations. **The value added from resales during 2012 is estimated at \$1.5 billion in the Jurisdictions. The value added from 1st quarter 2013 resales is estimated to add \$262 million in the Jurisdictions.** It is important to note that the availability of data for just the first three months of 2013 provides an incomplete picture of the overall impact sales activity will have on 2014-15 assessed valuations.

³ “Building permits” and “In-Review Projects” are based upon other City of Irvine sources and are believed to be based on the most current and up-to-date information.

TABLE D: SALES ACTIVITY SUMMARY

| Jurisdiction | Valuation Added/(Subtracted) Fiscal Year 2013-14 ¹ | Valuation Added/(Subtracted) Fiscal Year 2014-15 ² |
|------------------------|---|---|
| Aliso Viejo | \$ 47,036,383 | \$ 15,929,674 |
| Cypress | 56,585,273 | 8,851,260 |
| Dana Point | 134,659,250 | 9,150,833 |
| Irvine | 435,554,321 | 76,800,439 |
| Laguna Hills | 28,564,900 | 7,980,035 |
| Laguna Niguel | 106,577,274 | 30,509,598 |
| Laguna Woods | 20,635,285 | 5,564,221 |
| Lake Forest | 158,236,730 | 12,442,714 |
| La Palma | 7,394,634 | 2,179,091 |
| Los Alamitos | 17,682,609 | 3,261,562 |
| Mission Viejo | 109,980,622 | 25,309,608 |
| Rancho Santa Margarita | 38,220,613 | 6,237,802 |
| San Jan Capistrano | 53,535,737 | 6,940,391 |
| Villa Park | 39,249,621 | 4,605,056 |
| Yorba Linda | 124,374,182 | 22,035,191 |
| County Unincorporated | 133,258,034 | 24,298,122 |
| Total | \$ 1,511,545,468 | \$ 262,095,597 |

¹ Based on resales activity from January 1, 2012 to December 31, 2012

² Based on resales activity from January 1, 2013 to March 12, 2013

Source: Metroscope, a product of First American Title Company

Non-Recorded Transactions

Non-recorded transactions represent a major uncertainty for OCFA's Projections. Within the Jurisdictions there were 1,283 properties with recordings from January 1, 2012 through March 12, 2013 with assessed valuations that were equal to or greater than \$1 million and had non-disclosed title recordings. **The combined assessed valuation of the 1,283 properties with undisclosed property recordings in calendar year 2012 and January 1 through March 12, 2013 total approximately \$2.4 billion.** Although sales activity has resulted in overall growth in assessed valuation in the Jurisdictions, as summarized in Table D, it is conceivable that a number of major commercial and residential properties may have sold for less than their enrolled assessed valuation which could result in a loss of millions of dollars of taxable value. Because of their undisclosed nature, such losses would be unknown and not reflected in the Projections.

Table E on the following page summarizes these non-disclosed title recordings by Jurisdiction and provides information regarding assessed valuation and ownership for the largest non-disclosed title recording in each Jurisdiction.

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TABLE E: SUMMARY OF NON-RECORDED TITLE TRANSACTIONS

| Jurisdiction | # of Non-Recorded Title Transactions | Total 2012-13 Assessed Valuation of Non-Recorded Title Transactions | Average 2012-13 Assessed Valuation per Transaction | Largest Assessed Valuation of Non-Recorded Transactions | Land Use of Largest Assessed Valuation | Property Owner of Largest Assessed Valuation |
|------------------------|--------------------------------------|---|--|---|--|--|
| Aliso Viejo | 17 | \$ 33,698,994 | \$ 1,982,294 | \$ 5,025,710 | Commercial | LA Century 21 Inc. |
| Cypress | 7 | 19,740,701 | 2,820,100 | 8,923,257 | Commercial | Warland Investments Co. |
| Dana Point | 121 | 256,334,362 | 2,118,466 | 18,421,872 | Commercial | William J. Cagney |
| Irvine | 340 | 636,170,057 | 1,871,088 | 17,680,797 | Commercial | Tilc Operating Properties, LLC |
| La Palma | 1 | 15,413,306 | 15,413,306 | 15,413,306 | Commercial | Al Us of Lapalma II Senior Housing |
| Laguna Hills | 70 | 138,678,962 | 1,981,128 | 18,300,000 | Commercial | Donovan Egan |
| Laguna Niguel | 121 | 204,287,839 | 1,688,329 | 5,868,862 | Single Family Residential | Abate |
| Laguna Woods | 9 | 97,561,804 | 10,840,200 | 22,425,152 | Multi-Family Residential | Keith B. Carpenter |
| Lake Forest | 11 | 34,389,747 | 3,126,341 | 7,152,000 | Industrial | Bixby Spe. Finance 1, LLC |
| Los Alamitos | 13 | 18,809,112 | 1,446,855 | 3,093,117 | Commercial | Shannon Sackley |
| Mission Viejo | 18 | 27,565,428 | 1,531,413 | 2,773,327 | Single Family Residential | Albert Soto |
| Rancho Santa Margarita | 8 | 26,091,390 | 3,261,424 | 10,307,467 | Commercial | Chris Parker |
| San Juan Capistrano | 85 | 135,514,661 | 1,594,290 | 9,249,831 | Commercial | Rop Capistrano Terrace, Inc. |
| Villa Park | 50 | 68,230,604 | 1,364,612 | 3,471,997 | Single Family Residential | White |
| Yorba Linda | 135 | 184,513,240 | 1,366,765 | 4,970,598 | Industrial | White |
| County Unincorporated | 277 | 504,989,185 | 1,823,066 | 35,370,950 | Single Family Residential | Louis & Michu Welch |
| Total | 1,283 | \$ 2,401,989,392 | | | | |

Source: Metroscan- a product of First American Title Company

Foreclosures

According to Dataquick's ProspectFinder Foreclosures service, foreclosures in the Jurisdictions in 2013 remain consistent with 2012 foreclosure activity. Foreclosures continue to be concentrated in the residential ownership category (single family/condominiums). Residential ownership properties in pre-foreclosure continue to be consistent in 2013 with 2012 activity, with 383 properties receiving a Notice of Default (NOD) in the first quarter of 2013 alone, approximately a third of the total experienced in the entire 2012 calendar year. In addition, residential ownership properties with an auction pending are high; the first quarter of 2013 alone is approximately 75% of residential ownership properties that had an auction pending in 2012.

Table F provides a summary of foreclosures for the Jurisdictions (exclusive of redevelopment project areas) by land use. Changes in assessed valuation resulting from enrolled values and sales price for properties sold at auction or that are REO⁴ are captured by the previously discussed resales analysis. Therefore, the information provided in Table F was collected and tabulated for informational purposes only.

⁴ REO is a class of property owned by a lender after an unsuccessful sale at an auction.

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TABLE F: FORECLOSURE SUMMARY BY LAND USE

| Land Use | Year | Pre-Foreclosure (NOD Issued) | Auction Pending (NOS Issued) | REO or Sold at Auction | Total | Total Area Units (2010) ¹ | Units per Foreclosure |
|---|-------------|------------------------------|------------------------------|------------------------|--------------|--------------------------------------|-----------------------|
| Single Family & Condominiums | 2010 | 704 | 12 | 457 | 1,173 | 293,825 | 250 |
| | 2011 | 774 | - | 781 | 1,555 | 293,825 | 189 |
| | 2012 | 1,042 | 152 | 657 | 1,851 | 293,825 | 159 |
| | 2013 | 383 | 114 | 188 | 685 | 293,825 | 429 |
| Residential Apartments (Multi-Family Rental Properties) | 2010 | 3 | - | 8 | 11 | 2,831 | 257 |
| | 2011 | 4 | - | 21 | 25 | 2,831 | 113 |
| | 2012 | 15 | 6 | 23 | 44 | 2,831 | 64 |
| | 2013 | 3 | 4 | 3 | 10 | 2,831 | 283 |
| Commercial | 2010 | 4 | - | 17 | 21 | 5,234 | 249 |
| | 2011 | 5 | - | 14 | 19 | 5,234 | 275 |
| | 2012 | 5 | - | 29 | 34 | 5,234 | 154 |
| | 2013 | 2 | - | 5 | 7 | 5,234 | 748 |
| Industrial | 2010 | 3 | - | 10 | 13 | 2,414 | 186 |
| | 2011 | 3 | - | 6 | 9 | 2,414 | 268 |
| | 2012 | 5 | - | 9 | 14 | 2,414 | 172 |
| | 2013 | 2 | 1 | 7 | 10 | 2,414 | 241 |
| Total | 2010 | 714 | 12 | 492 | 1,218 | 304,304 | 250 |
| | 2011 | 786 | - | 822 | 1,608 | 304,304 | 189 |
| | 2012 | 1,067 | 158 | 718 | 1,943 | 304,304 | 157 |
| | 2013 | 390 | 119 | 203 | 712 | 304,304 | 427 |

¹Count of total area units are from 2010 because more current data is not available.

Source: Dataquick ProspectFinder Foreclosure as available on April 10, 2013, Orange County Assessor records via Metroscan Information Services for Total Area Units.

Top Ten Foreclosures

Property foreclosures represent a major risk to OCFA revenues due to the potential loss of significant valuation. This is particularly true when high valued properties become bank owned and there is the possibility that millions of dollars of valuation could be removed from the assessment roll due to a single foreclosure. In order to gauge the potential impact that high valued property foreclosures could have on OCFA revenues, RSG compiled the top ten foreclosures since January 2012 based upon 2012-13 secured assessed valuation.

The top ten foreclosures are primarily comprised of apartment complexes with a combined 2012-13 assessed valuation of more than \$141.7 million. Table G, identifies the owner, city, land use, and valuation of the top ten foreclosures for the Jurisdictions since January 2012.

TABLE G: TOP TEN FORECLOSURES (JANUARY 2012-APRIL 2013)¹

| Owner | City | Land Use | 2012-13 Secured Assessed Value |
|----------------------------------|---------------------|------------|--------------------------------|
| 1 Gccfc 2007-Gg9 Diamond Office | Yorba Linda | Industrial | \$ 83,258,532 |
| 2 Sequoia Equities-Hidden Hills | Laguna Niguel | Apartments | \$ 33,013,989 |
| 3 California Bk & Trust | Laguna Woods | Apartments | \$ 21,451,523 |
| 4 Sequoia Equities-Hidden Hills | Laguna Niguel | Apartments | \$ 19,328,035 |
| 5 Cadiz Calle | Laguna Woods | Apartments | \$ 18,311,115 |
| 6 Cadiz Calle | Laguna Woods | Apartments | \$ 18,099,129 |
| 7 Sa Cosman & Damian Llc | San Juan Capistrano | Industrial | \$ 17,688,840 |
| 8 Gecmc 2007-C1 Cypress Office L | Cypress | Commercial | \$ 17,067,558 |
| 9 Federal Natl Mtg Assn Fnma | Laguna Woods | Apartments | \$ 16,345,895 |
| 10 Alhambra Via | Laguna Woods | Apartments | \$ 15,179,758 |

¹ Rank based upon REO and properties sold to third party at auction that had the ten largest 2012-13 assessed valuations. Properties in preforeclosure (NOD issued) and scheduled for resale at auction (NOT issued) are excluded.

Source: Dataquick ProportFinder Foreclosures as available on April 10, 2013

PROPOSITION 8 REASSESSMENTS & ASSESSMENT APPEALS

In 1978, California voters passed Proposition 8, a constitutional amendment to Proposition 13, which allows a temporary reduction in assessed value when a property suffers a “decline-in-value”. Proposition 8 requires the Assessor to enroll the lower of either:

- Proposition 13 taxable values (market value of the property when it was acquired plus a Consumer Price Index adjustment of up to 2% per year, plus the value of any new construction); or
- Market value as of the annual January 1st lien date.

The Assessor may initiate the review and downward reassessment of any property whose market value has dropped below the Proposition 13 taxable value. Property owners who believe the market value of their property has dropped below the Proposition 13 taxable value may also request that their property to be reviewed by submitting a formal assessment appeal to the County of Orange Clerk of the Board.

ASSESSOR-INITIATED REASSESSMENTS

According to the Assessor’s February 21, 2013, Orange County Property Valuation Update presentation, the Assessor had not initiated a review of any properties for reassessment in 2012. **The Orange County real estate market has improved significantly as indicated by the 22% in median home price between January 2012 and February 2013 (County as a whole). It is important to note median home price growth in the Jurisdictions was substantially less with a 14% increase over the same time period. This information indicates that the residential real estate market in the Jurisdictions is recovering at a slower pace than the County as a whole.**

This dramatic improvement in the real estate market is a clear signal of measurable economic recovery in Orange County.

While the Assessor indicates that those properties that were reviewed last year for possible value reductions will continue to be monitored, it does not appear that there will be notable assessed value reductions in Orange County for fiscal year 2013-14.

RSG reviewed the trends of median home sales within the County and the Jurisdictions utilizing data obtained from Dataquick and the OC Register. The number of home sales and prices between January 2012 and

February 2013 were plotted on a chart to depict statistical trend lines of the change in values, as shown on Appendix C. The slopes of the trend lines were calculated and converted to percents to determine the percentage change over a 14-month period for each Jurisdiction⁵.

PROPERTY OWNER ASSESSMENT APPEALS

RSG collected and analyzed all secured and unsecured property owner-initiated assessment appeals available through the County Clerk of the Board. The County Clerk of the Board maintains a database of information regarding all secured and unsecured assessment appeals applications submitted, including the application status and amounts of assessed value reduction granted by the Appeals Board, if any. OCFA revenues are impacted by refunds for granted assessment appeals reductions (see Table H for five year historical assessed value reduction amounts). Two types of assessed value appeals may be submitted:

- Proposition 13 appeal is a property owner-initiated assessment appeal that is a market-driven appeal because it is believed that current market conditions cause the property to be worth less than its Proposition 13 taxable value; or
- Proposition 8 assessment appeal is a request to reduce the base assessed value of a property. If a Proposition 8 assessment appeal were granted, the value of the property would return to its prior (higher) value on the next year's assessment roll (unless again appealed and granted).

The information analyzed in Tables 3-A through 3-E of Appendix D and summarized in Table H reflects data received from the County Clerk of the Board as of March 14, 2013 (excluding assessment appeals for property located within a redevelopment project area and appeals where the assessed value of the appeal is greater than the property's current assessed valuation). Five years of historical assessment appeals information for each Jurisdiction is detailed in this Report.

Secured Assessment Appeals

Over the last five years, requested secured assessment appeal reduction requests remain consistently high. However, the total secured assessed value under appeal continues to gradually decline while total requested secured assessed value reduction continues to be approximately 50% annual as summarized in Table H. Despite overall reduction requests of approximately 50% of the taxable secured assessed valuation, the Appeals Board reduced secured assessed valuations by just 6.9%, 11.4%, 10.1%, and 5.0% in fiscal years 2008-09, 2009-10, 2010-11, and 2011-12, respectively. As of March 14, 2013, the Appeals Board had reviewed and stipulated approximately \$519.8 million of the total \$6.1 billion requested secured assessed value reduction requests for fiscal year 2012-13. Of the \$519.8 million reduction requests, the Appeals Board granted just 8.9% (approximately \$46.3 million), or 0.4% of the total secured assessed valuation for those properties under appeal.

Table H provides a historical summary of denied, stipulated, and pending secured assessment appeals.

⁵ July 2012 median sales data for Orange County was not available and has been excluded from the analysis.

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TABLE H: SECURED ASSESSMENT APPEALS

| Fiscal Year | Total AV Under Appeal | Total Applicants Opinion of Value for Parcels Under Appeal | Total Requested Reduction Amount for Parcels Under Appeal | Requested Reductions as a % of AV | Amount of Board Approved AV Reduction | % of Reduction of AV Under Appeal | Outstanding Requested Reduction Amounts |
|--------------|--------------------------|--|---|-----------------------------------|---------------------------------------|-----------------------------------|---|
| 2008-09 | \$ 11,079,979,817 | \$ 5,786,102,459 | \$ 5,293,877,358 | 47.8% | \$ 759,964,211 | 6.9% | \$ 21,058,047 |
| 2009-10 | 16,445,974,565 | 8,125,289,078 | 8,320,685,487 | 50.6% | 1,881,138,964 | 11.4% | 354,434,054 |
| 2010-11 | 15,540,727,258 | 7,924,305,238 | 7,616,422,020 | 49.0% | 1,568,778,926 | 10.1% | 160,738,670 |
| 2011-12 | 14,769,193,728 | 8,048,120,982 | 6,721,072,746 | 45.5% | 743,749,125 | 5.0% | 1,914,352,294 |
| 2012-13 | 12,656,411,979 | 6,528,317,306 | 6,128,094,673 | 48.4% | 46,297,436 | 0.4% | 5,608,250,003 |
| Total | \$ 70,492,287,347 | \$ 36,412,135,063 | \$ 34,080,152,284 | 48.3% | \$ 4,999,928,662 | 7.1% | \$ 8,058,833,068 |

¹ Excludes assessment appeals where the Applicant's opinion of the assessed value is higher than the roll value and instances where the appeals database

² Includes finalized and outstanding appeals.

Source: County Clerk of the Board, March 14, 2013

The number of secured assessment appeals also remains consistent amongst land uses over the five year period as summarized in Table I. Multiple family and single family residential continue to minimally increase while appeals for commercial and industrial properties are gradually declining.

TABLE I: PROPORTION OF SECURED ASSESSED VALUE APPEALED BY LAND USE TYPE¹

| Fiscal Year | Land Use | | | | | Total |
|-------------|------------|------------|--|---------------------------|--------------------|--------|
| | Commercial | Industrial | Multiple Family Residential ² | Single Family Residential | Other ³ | |
| 2008-09 | 45.5% | 6.9% | 11.2% | 29.9% | 6.4% | 100.0% |
| 2009-10 | 52.9% | 11.8% | 9.6% | 18.7% | 7.0% | 100.0% |
| 2010-11 | 52.9% | 14.5% | 10.0% | 16.6% | 6.1% | 100.0% |
| 2011-12 | 50.3% | 14.6% | 13.0% | 17.5% | 4.6% | 100.0% |
| 2012-13 | 47.9% | 14.1% | 14.9% | 17.7% | 5.4% | 100.0% |

¹ Excludes assessment appeals where the Applicant's opinion of the assessed value is higher than the roll value and instances where the appeals database reports that the assessed value of the parcel appealed is zero or negative.

² Includes condominiums, residential co-ops, mobile homes, and timeshares.

³ Includes rural and other properties not assigned a land use on the Tax Roll.

Source: County Clerk of the Board, March 14, 2013, MetroScan

Unsecured Assessment Appeals

The total amount of unsecured assessed valuation reductions for the Jurisdictions (excluding redevelopment project areas and appeals where the requested value is higher than the current roll value) as a result of granted assessment appeals is \$57.5 million, \$63.6 million, \$52.4 million, and \$17.1 million in fiscal years 2008-09 through 2011-12, respectively. As of March 14, 2013, there had been \$3.6 million in granted unsecured assessment appeals in the Jurisdictions for fiscal year 2012-13. There is the potential for an additional reduction of \$443.8 million, \$370.5 million, \$295.9 million, and \$627.3 million in reductions if all outstanding assessment appeals request were granted for fiscal years 2008-09, 2009-10, 2010-11, and 2011-12, respectively. Table 4 in Appendix E provides detailed information regarding both completed and outstanding unsecured assessment appeals between fiscal years 2008-09 and 2012-13 for the Jurisdictions.

ANNUAL GROWTH RATES

Based on the economic forecasts and market factors described, RSG has conservatively developed growth rates that are applied to the Secured and Unsecured Roll values in the five-year projections. **RSG concurs with recently published economic forecasts from Chapman University and UCLA that the recession is ending and that a recovery has begun and is building momentum.** The drop in the Orange County unemployment rate to 6.5%, a more than 20% increase in Orange County median sales price and information from the Assessor that further value reductions are unlikely, RSG believes the annual growth rate of assessed values will be positive for the next five years. **However, with the exception of concrete and measurable positive economic growth as projected by Chapman and UCLA during 2013, there is an absence of data regarding projected growth for 2014 and beyond. Additionally, both Chapman and UCLA, as well as numerous newspaper and other published articles on the local economy, project that growth will be slow and steady rather than the accelerated growth experienced during the economic recovery in the late 1990's/early 2000's.**

The data indicating that the growth in median home prices in the Jurisdictions over the last 13 months has been approximately 40% less than that experienced in the County as whole indicates that property value increases will likely be less than those in the County overall. Therefore, adjustments in growth rates are needed to account for this measurable difference.

The following discussion outlines the assumptions and methodology used by RSG to arrive at annual growth rates utilized in the Projections.

SECURED GROWTH RATES

Fiscal Year 2013-14

Growth rates utilized for projecting fiscal year 2013-14 assessed valuations exclude consideration of any increase (or decrease) in assessed valuations caused by resales or new construction as the Projections are already adjusted for actual activity occurring in the 2012 real estate market. Additionally, growth rates applied for 2013-14 Projections do not account for losses in valuation resulting from Proposition 8 reassessments or assessment appeals. Although the California State Board of Equalization letter to County Assessors instructs a 2.0% CCPI inflationary adjustment to be utilized for preparation of the fiscal year 2013-14 assessment roll, the 2013-14 secured growth rate factor utilized in the Projections does not apply this growth.

According to *Emerging Trends in Real Estate 2013* by the Urban Land Institute, the economic recovery will be continue to be a slow process and despite increasing home prices, investors and developers will proceed with some caution. This aligns with the information presented in both the Chapman and UCLA 2013 Economic Forecasts. Economic indicators show that the local office market is improving with regard to lease and vacancy rates, but industrial and particularly retail vacancies have not improved in the same way.

Due to the following factors, **the Projections incorporated a conservative 1.75% secured growth factor in 2013-14 for all Jurisdictions** (incremental valuation from redevelopment project areas were excluded from any application of growth rates):

- All actual property value increases from new construction and resales have been included in the projections;
- Assessment appeals value reductions were not included as a factor in the projections; and
- Documented difference between the increase in median home sales prices in the Jurisdictions as compared to the County (i.e., 14% in the Jurisdictions as opposed to 22% in the County as a whole).

Fiscal Years 2014-15 through 2017-18

The Jurisdictions have been experiencing modest overall growth in assessed valuation the last two fiscal years, particularly in secured assessed valuations. This change appears to follow the trend experienced during the recovery period following the last recession in the 1990's. In the absence of economic forecasts with measurable data for years following 2013, RSG believes that the most appropriate methodology to

employ in projecting growth rates from 2014-15 through 2017-18 is to examine growth rates experienced during the recovery period in the late 1990's/early 2000's. Given the information above, an adjustment factor is needed to apply to these historical growth rates to account for the slower economic growth and reduced growth in median home sales prices in the Jurisdictions when compared to the County as a whole.

To this end, historical growth rates from fiscal year 1998-99 through 2001-02 have been reviewed and annual growth factors for years 2 through 6 (i.e., fiscal years 2013-14 through 2017-18) have been calculated by applying the following formula:

$$(Historical\ growth\ factor\ (by\ fiscal\ year) \times 0.50) \times 0.75$$

For example, given historical economic recovery trends, the fiscal year 1998-99 growth rate (5.7%) would be applied to the fiscal year 2013-14 property values. In order to account for a slower recovery, the 1998-99 growth rate would be divided in half. An additional adjustment factor, 0.75, is applied to account for the lower growth rate in median home sales prices within the Jurisdictions as compared to the County, foreclosures and assessment appeals.

While unemployment data points to a local recovery, foreclosures have remained relatively consistent in the last year. More specifically, unemployment in February 2013 is 6.5% in Orange County, as compare to 8.1% in February 2012 and 9.0% in February 2011. However, foreclosure have remained consistent when comparing 2011 levels to 2012 and the first quarter of 2013, which provides further justification for the application of adjustment factors to future growth rates as described in this section.

Figure C provides a visual depiction of the economic recovery in Orange County in the late 1990's/early 2000's.

**Figure C
Orange County Historical Growth Rates
Annual % Change in Net Assessed Values**

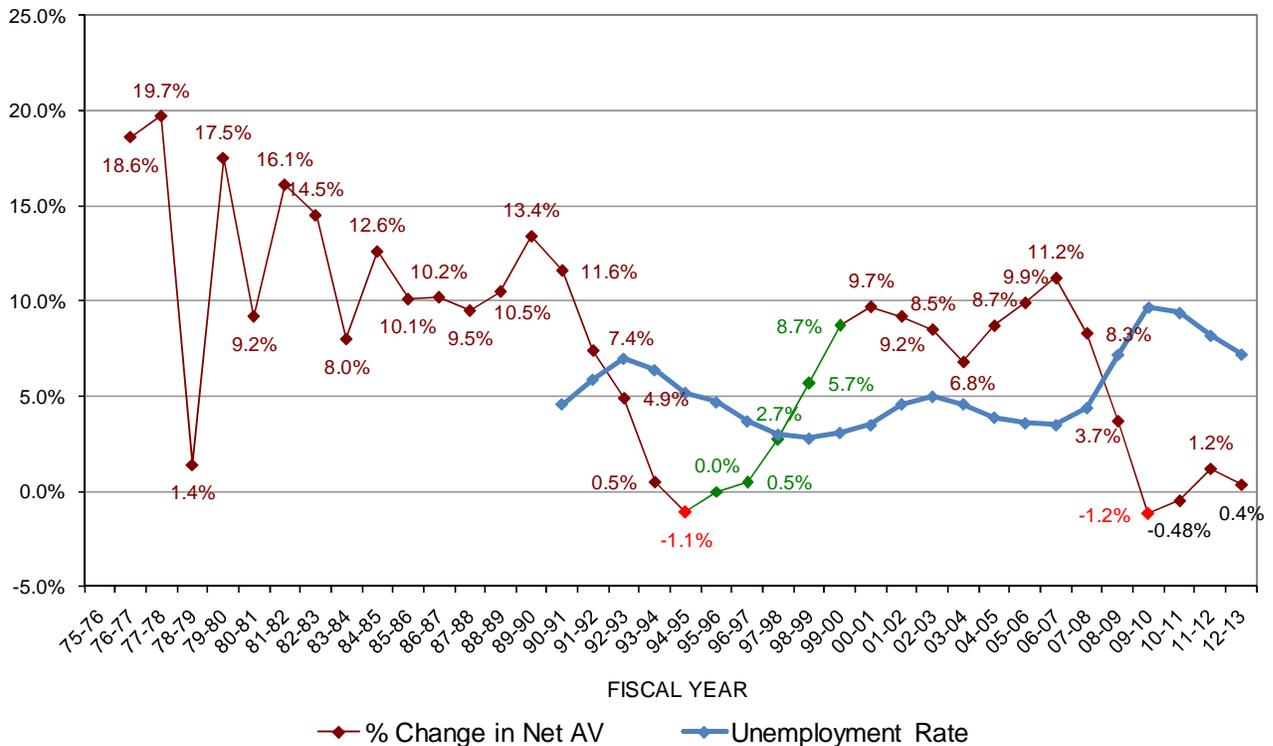


Figure C above shows the inverse relationship between unemployment rates and property values, and indicates that property values generally have a one- to two-year delayed reaction to unemployment trends. The -1.1% annual change in assessed valuation for fiscal year 1994-95, occurred following a 7% peak

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unemployment rate for Orange County in 1992-93. Additionally, the more favorable rate of recovery of assessed valuations following 1994-95 occurred in the context of a steeper drop in the unemployment rate which retreated to rates below 5% within two years. More recently, however, unemployment rates for 2010 and 2011 were high, at 9.6% and 9.0%, respectively, but dropped to 6.5% as of February of this year.

Figure D below provides monthly trends in unemployment rates for Orange County from January 2009 through February 2013.

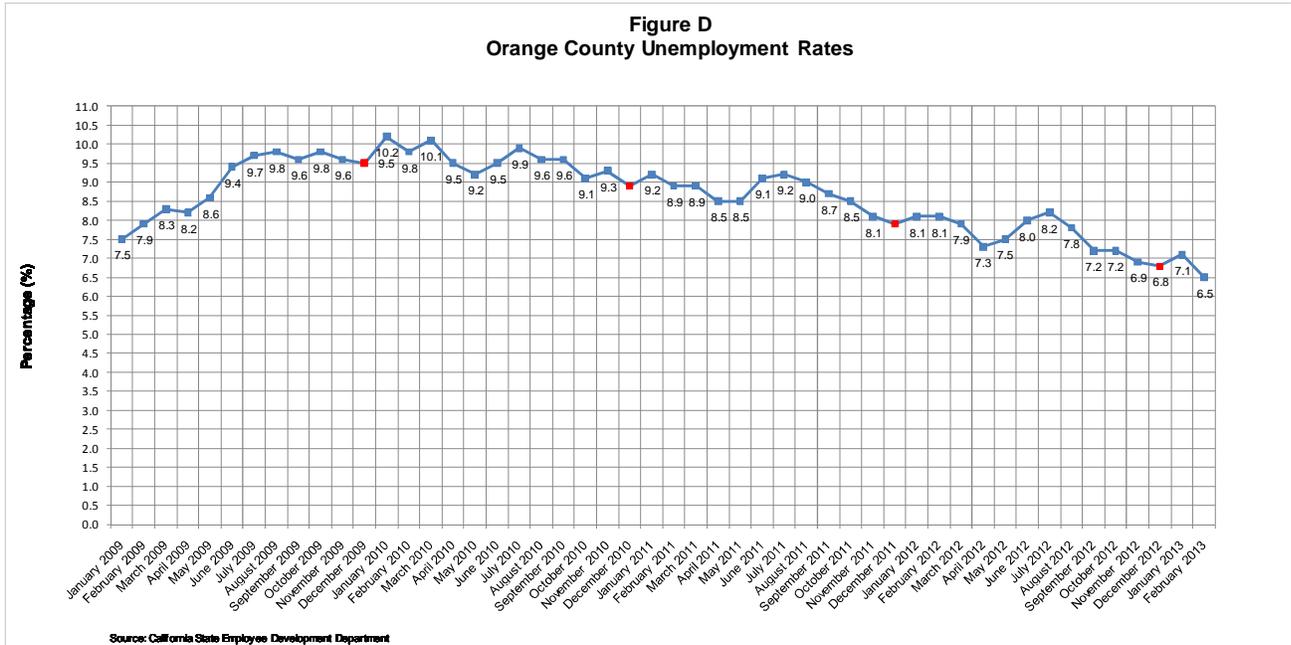


Table J below provides a summary of the calculations used to arrive at projected changes in assessed valuation growth.

TABLE J: GROWTH RATE CALCULATIONS (FY2013-14 - 2017-18)

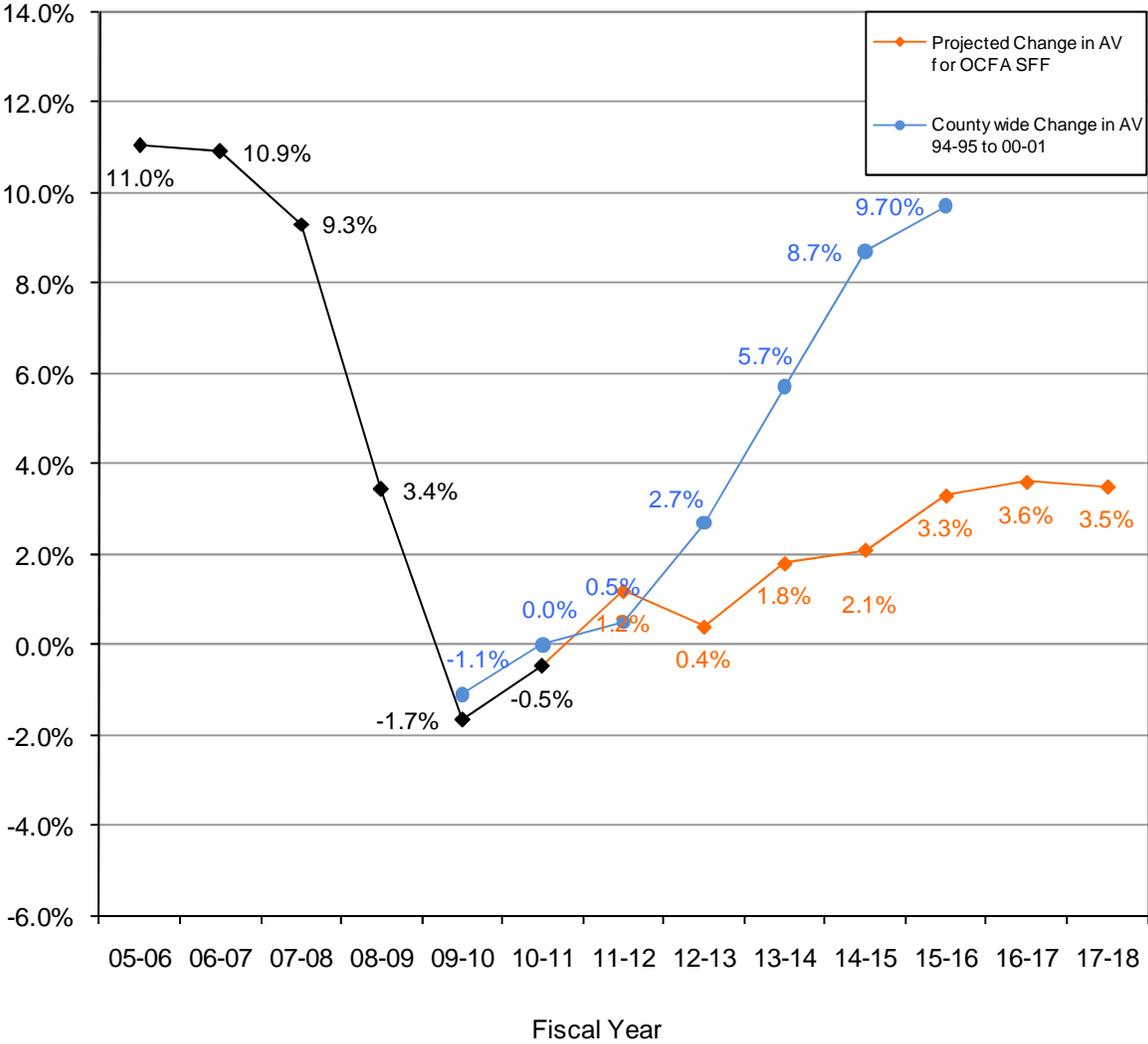
| <i>Historical</i> Recession Recovery Growth Rates | | <i>Actual and Assumed</i> Growth Rates for SFF Cities | | |
|---|------------------------------------|---|---|--------------------------------------|
| Fiscal Year | Countywide Actual Change in Net AV | Fiscal Year | Projected Growth Rate (50% of historical with 25% add. adjustment) ¹ | Actual Change in Net AV ² |
| 1995-96 | 0.0% | 2010-11 | | -0.6% |
| 1996-97 | 0.5% | 2011-12 | | 1.2% |
| 1997-98 | 2.7% | 2012-13 | | 0.4% |
| 1998-99 | 5.7% | 2013-14 | 1.8% | |
| 1999-00 | 8.7% | 2014-15 | 2.1% | |
| 2000-01 | 9.7% | 2015-16 | 3.3% | |
| 2001-02 | 9.2% | 2016-17 | 3.6% | |
| | | 2017-18 | 3.5% | |

¹ 2013-14 estimate does not incorporate this methodology as projected Growth Rate incorporates 1 year lag because new development and resales already incorporated into 2013-14 AV estimate.

² Annual changes in net assessed valuation (growth rates) account for projected changes in valuation resulting from new development, resales, changes in the CCPI, and assessment appeals.

Additionally, Figure E below provides a visual illustration of the growth rate calculations whereby the actual percentage change in net assessed valuation for the County between 1994-95 and 2000-01 is compared to the project percentage change in net assessed valuations for OCFA between 2013-14 and 2017-18.

**Figure E
Annual Change In Net Assessed Valuations**



UNSECURED GROWTH RATES

The unsecured assessment roll is more susceptible than the secured assessment roll to large variations in valuation from year-to-year making reliable predictions impossible. The reason for its volatility is that a large portion of the unsecured roll is comprised of business property, leased equipment, marine vessels, and aircraft, which unlike real property, is not fixed to the land and can be moved between jurisdictional boundaries resulting in possible spikes or drops in value with no reliable metric for predicting. Furthermore, business personal property assessed on the unsecured assessment roll deflates in value annually based on property specific depreciation schedules. Therefore, it is RSG’s business practice to not project changes in

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the unsecured assessed valuation and to hold the unsecured assessed valuation constant. Consistent with this practice, a zero percent growth rate was assumed for the entire time duration covered by the Projections.

In 2012-13, the unsecured assessed valuation for properties from which OCFA receives a portion of ad valorem property tax revenues decreased by 2.2% as a whole; however, the change in unsecured assessed valuations for the Jurisdictions ranged from a 5.3% *increase* in Irvine to a 68.4% *decrease* in the County Unincorporated territory. This type of unpredictable volatility diminishes the ability to project changes in unsecured assessed valuations in any reliable sense.

According to CB Richard Ellis' MarketView Office and Industrial Reports, Fourth Quarter 2012, office and industrial markets in Orange County experienced positive net absorption, new construction, decreased vacancy rates and increased office lease rates (for the first time in several years) in 2012. Industrial lease rates have stayed relatively constant. Given that the unsecured assessment roll is largely comprised of personal business property, the 2013-14 unsecured assessment roll is likely to be positively impacted by the growth of businesses (and their personal property) in 2013. However, the methodology previously described to estimate the overall change in net assessed valuation in light of a prolonged rate of recovery from the recent recession should indirectly take into account future changes in unsecured assessed valuation.

DELINQUENCIES, REFUNDS AND NET CHANGE FACTORS

The County Auditor divides taxing entities into two classes associated with the collection of property taxes, Teeter and Non-Teeter Agencies. The OCFA is a Teeter Agency; therefore, the County Auditor does not reduce secured property tax revenues for associated delinquencies that are due to the OCFA. On the other hand, OCFA revenues are impacted by refund and net change factors. The refund factor is the percentage of property tax revenue collected which is ultimately returned to property owners as a result of successful assessment appeal requests. The net change factor is the percentage change (due to estimation errors) in property tax revenue as forecasted by the County Auditor at the beginning of the fiscal year compared to the actual revenue at the end of the fiscal year. The County Auditor does not calculate these factors by individual city, therefore, only countywide factors are provided.

The Countywide property tax delinquency rate estimated for 2012-13 (based on 2011-12 actual) is -1.47%. The refund and net change factors affecting Teeter Agencies, such as OCFA, increased minimally from -1.55% in 2011-12 to -1.69% in 2012-13. RSG has not reduced OCFA revenues to reflect the refund and net change factor; however, this information has been provided to assist OCFA in assessing the potential impact of refunds and errors regarding forecasted revenues by the County Auditor.

Table K summarizes Orange County delinquencies, refunds and net change factors from 2008-09 through 2012-13.

TABLE K: ORANGE COUNTY DELINQUENCY, REFUND, AND NET CHANGE FACTORS¹

| Fiscal Year | A | B | C | B + C | A + B + C |
|-------------|--------------------|---------------|-------------------|-------------------------|-----------------------------|
| | Delinquency Factor | Refund Factor | Net Change Factor | Total - Teeter Agencies | Total - Non Teeter Agencies |
| 2008-09 | -5.12% | -0.32% | -0.20% | -0.51% | -5.63% |
| 2009-10 | -5.00% | -0.61% | -0.12% | -0.73% | -5.73% |
| 2010-11 | -2.23% | -0.95% | -0.37% | -1.32% | -3.55% |
| 2011-12 | -1.60% | -1.20% | -0.35% | -1.55% | -3.15% |
| 2012-13 | -1.47% | -1.44% | -0.25% | -1.69% | -3.16% |

¹ Calculation of the delinquency factor, refund factor and net change factor is provided by the Orange County Auditor Controller and is based on prior year actual factors. Includes combined secured and unsecured delinquency/roll change/refund factors.

Source: County of Orange Auditor-Controller

CONCLUSION

The following economic indicators showed clear signs of a recovery in Orange County in 2012:

- ✓ Median home prices increased by approximately 22%
- ✓ Unemployment dropped to 6.5% from 8% in 2012
- ✓ CCPI was a full 2%
- ✓ Building permits (and value) and new construction projects increased
- ✓ Commercial and industrial real estate markets experienced increased absorption, decreased vacancy rates, and increased office lease rates for the first time in several years
- ✓ Economic forecasts from respected universities project growth overall in 2013 and suggest that recovery is finally a reality in southern California

However, other the following indicators provide substantial reason to remain cautious and signal that the current recovery will likely not mirror the last economic recovery experienced in the late 1990's/early 2000's:

- Assessment appeals have only declined slightly
- Foreclosure rates remain constant
- Median home prices within the Jurisdictions grew by 13% compared to the 22% realized County-wide
- Industrial lease rates remain low
- Economic forecasts indicate that the recovery will be slow and protracted, rather than accelerated

RSG recommends that OCFA prepare for a 1.75% growth rate in addition to the new development and resale value (from calendar year 2012) for fiscal year 2013-14. Growth rates in fiscal years 2014-15 through 2017-18 are projected to generally follow the trend of the last historical economic recovery, but at a slower rate. For this reason, adjustment factors have been applied which result in a growth factor ranging from 2% to 4% in excess of projected new development value.

DISCLAIMER

In preparation of this Report and the Projections, RSG has attempted to consider all factors that could affect OCFA's ad valorem property tax revenues from the Jurisdictions. The goal of this Report is to provide OCFA with a forecast of revenue that can serve as a tool by OCFA for financial planning and budget development. The revenue projections provided in this Report are not intended to be used for public financings. While precautions have been taken to assure the accuracy of the data, we cannot ensure that projected valuations will be realized.

APPENDIX A

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**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 1) CITY OF ALISO VIEJO | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
|--|---------------------------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|
| Secured | 7,258,805,837 | | | | | | | | | | |
| Secured-HOX value | 58,249,800 | | | | | | | | | | |
| Secured total | 7,317,055,637 | 1.75% | 7,445,104,111 | 2.14% | 7,670,364,693 | 3.26% | 7,937,059,720 | 3.64% | 8,225,770,268 | 3.45% | 8,509,559,342 |
| Projected Secured New Value | | | <u>64,737,713</u> | | <u>15,929,674</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 7,317,055,637 | | 7,509,841,824 | | 7,686,294,367 | | 7,937,059,720 | | 8,225,770,268 | | 8,509,559,342 |
| % of Sec. Growth | 1.55% | | 2.63% | | 2.35% | | 3.26% | | 3.64% | | 3.45% |
| Unsecured | 288,482,664 | | | | | | | | | | |
| Unsecured-HOX value | (14,000) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>288,468,664</u> | 0.00% | <u>288,468,664</u> | 0.00% | <u>288,468,664</u> | 0.00% | <u>288,468,664</u> | 0.00% | <u>288,468,664</u> | 0.00% | <u>288,468,664</u> |
| Total Assessed Value | 7,605,524,301 | | 7,798,310,488 | | 7,974,763,031 | | 8,225,528,384 | | 8,514,238,932 | | 8,798,028,006 |
| 1% General Levy | 76,055,243 | | 77,983,105 | | 79,747,630 | | 82,255,284 | | 85,142,389 | | 87,980,280 |
| OCFA Tax Rate 12-13 | 11.50761% | | 11.50761% | | 11.50761% | | 11.50761% | | 11.50761% | | 11.50761% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$8,752,144 | | \$8,973,995 | | \$9,177,050 | | \$9,465,621 | | \$9,797,858 | | \$10,124,431 |
| 2) CITY OF CYPRESS | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
| Secured (Net of CRA Increment) | 4,267,429,278 | | | | | | | | | | |
| Secured-HOX value | <u>62,100,895</u> | | | | | | | | | | |
| less CRA secured base | (223,085,518) | | | | | | | | | | |
| Secured total | 4,106,444,655 | 1.75% | 4,178,307,436 | 2.14% | 4,339,219,168 | 3.26% | 4,489,926,225 | 3.64% | 4,653,247,292 | 3.45% | 4,813,784,323 |
| Projected Secured New Value | | | <u>70,101,980</u> | | <u>8,651,260</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 4,106,444,655 | | 4,248,409,416 | | 4,348,070,428 | | 4,489,926,225 | | 4,653,247,292 | | 4,813,784,323 |
| % of Sec. Growth | -3.86% | | 3.46% | | 2.35% | | 3.26% | | 3.64% | | 3.45% |
| Unsecured (Net of CRA Increment) | 247,881,538 | | | | | | | | | | |
| Unsecured-HOX value | (21,000) | | | | | | | | | | |
| less CRA unsecured base | (13,780,011) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>234,080,527</u> | 0.00% | <u>234,080,527</u> | 0.00% | <u>234,080,527</u> | 0.00% | <u>234,080,527</u> | 0.00% | <u>234,080,527</u> | 0.00% | <u>234,080,527</u> |
| CRA Base Yr. Value (constant) | <u>236,865,529</u> | | <u>236,865,529</u> | | <u>236,865,529</u> | | <u>236,865,529</u> | | <u>236,865,529</u> | | <u>236,865,529</u> |
| Total Assessed Value | 4,577,390,711 | | 4,719,355,472 | | 4,819,016,484 | | 4,960,872,281 | | 5,124,193,348 | | 5,284,730,379 |
| 1% General Levy | 45,773,907 | | 47,193,555 | | 48,190,165 | | 49,608,723 | | 51,241,933 | | 52,847,304 |
| OCFA Tax Rate 12-13 | 9.10620% | | 9.10620% | | 9.10620% | | 9.10620% | | 9.10620% | | 9.10620% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$4,168,263 | | \$4,297,539 | | \$4,388,292 | | \$4,517,469 | | \$4,666,193 | | \$4,812,381 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 3) CITY OF DANA POINT | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
|--|-------------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|
| Secured | 8,581,399,916 | | | | | | | | | | |
| Secured-HOX value | <u>46,647,931</u> | | | | | | | | | | |
| Secured total | 8,628,047,847 | 1.75% | 8,779,038,684 | 2.14% | 9,120,917,798 | 3.26% | 9,434,568,770 | 3.64% | 9,803,699,510 | 3.45% | 10,157,679,614 |
| Projected Secured New Value | | | <u>150,999,547</u> | | <u>15,572,960</u> | | <u>25,037,560</u> | | <u>15,227,135</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 8,628,047,847 | | 8,930,038,231 | | 9,136,490,759 | | 9,459,606,329 | | 9,818,926,645 | | 10,157,679,614 |
| % of Sec. Growth | 2.06% | | 3.50% | | 2.31% | | 3.54% | | 3.80% | | 3.45% |
| Unsecured | 216,258,693 | | | | | | | | | | |
| Unsecured-HOX value | <u>57,416</u> | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>216,316,109</u> | 0.00% | <u>216,316,109</u> | 0.00% | <u>216,316,109</u> | 0.00% | <u>216,316,109</u> | 0.00% | <u>216,316,109</u> | 0.00% | <u>216,316,109</u> |
| Total Assessed Value | 8,844,363,956 | | 9,146,354,340 | | 9,352,806,868 | | 9,675,922,438 | | 10,035,242,754 | | 10,373,995,723 |
| 1% General Levy | 88,443,640 | | 91,463,543 | | 93,528,069 | | 96,759,224 | | 100,352,428 | | 103,739,957 |
| OCFA Tax Rate 12-13 | 11.29736% | | 11.29736% | | 11.29736% | | 11.29736% | | 11.29736% | | 11.29736% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$9,991,799 | | \$10,332,968 | | \$10,566,205 | | \$10,931,241 | | \$11,337,178 | | \$11,719,880 |
| 4) CITY OF IRVINE | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
| Secured (Net of CRA Increment) | 44,209,224,538 | | | | | | | | | | |
| Secured-HOX value | <u>222,033,242</u> | | | | | | | | | | |
| less CRA secured base (171,921) | | | | | | | | | | | |
| Secured total | 44,431,085,859 | 1.75% | 45,208,629,862 | 2.14% | 46,791,487,513 | 3.26% | 49,197,490,325 | 3.64% | 51,887,856,537 | 3.45% | 54,332,437,476 |
| Projected Secured New Value | | | <u>603,620,793</u> | | <u>851,645,595</u> | | <u>869,190,691</u> | | <u>632,624,348</u> | | <u>680,729,676</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 44,431,085,859 | | 45,812,250,655 | | 47,643,133,107 | | 50,066,681,015 | | 52,520,480,885 | | 55,013,167,152 |
| % of Sec. Growth | 3.16% | | 3.11% | | 4.00% | | 5.09% | | 4.90% | | 4.75% |
| Unsecured (Net of CRA Increment) | 3,609,247,290 | | | | | | | | | | |
| Unsecured-HOX value | <u>(105,000)</u> | | | | | | | | | | |
| less CRA unsecured base (3,803,150) | | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>3,605,339,140</u> | 0.00% | <u>3,605,339,140</u> | 0.00% | <u>3,605,339,140</u> | 0.00% | <u>3,605,339,140</u> | 0.00% | <u>3,605,339,140</u> | 0.00% | <u>3,605,339,140</u> |
| CRA Base Yr. Value (constant) | 3,975,071 | | 3,975,071 | | 3,975,071 | | 3,975,071 | | 3,975,071 | | 3,975,071 |
| Total Assessed Value | 48,040,400,070 | | 49,421,564,866 | | 51,252,447,318 | | 53,675,995,226 | | 56,129,795,096 | | 58,622,481,363 |
| 1% General Levy | 480,404,001 | | 494,215,649 | | 512,524,473 | | 536,759,952 | | 561,297,951 | | 586,224,814 |
| OCFA Tax Rate 12-13 | 12.41369% | | 12.41369% | | 12.41369% | | 12.41369% | | 12.41369% | | 12.41369% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$59,635,861 | | \$61,350,396 | | \$63,623,196 | | \$66,631,713 | | \$69,677,784 | | \$72,772,128 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 5) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
|--|-----------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| CITY OF LAGUNA HILLS | | | | | | | | | | | |
| Secured (Net of CRA Increment) | 5,305,441,900 | | | | | | | | | | |
| Secured-HOX value | <u>42,422,761</u> | | | | | | | | | | |
| less CRA secured base | (8,969,078) | | | | | | | | | | |
| Secured total | 5,338,895,583 | 1.75% | 5,432,326,256 | 2.14% | 5,582,251,659 | 3.26% | 5,782,192,090 | 3.64% | 6,052,663,538 | 3.45% | 6,261,480,430 |
| Projected Secured New Value | | | <u>33,101,877</u> | | <u>17,256,478</u> | | <u>58,033,251</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 5,338,895,583 | | 5,465,428,133 | | 5,599,508,137 | | 5,840,225,341 | | 6,052,663,538 | | 6,261,480,430 |
| % of Sec. Growth | 1.05% | | 2.37% | | 2.45% | | 4.30% | | 3.64% | | 3.45% |
| Unsecured (Net of CRA Increment) | 139,175,669 | | | | | | | | | | |
| Unsecured-HOX value | 0 | | | | | | | | | | |
| less CRA unsecured base | (1,579,216) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>137,596,453</u> | 0.00% | <u>137,596,453</u> |
| CRA Base Yr. Value (constant) | 10,548,294 | | 10,548,294 | | 10,548,294 | | 10,548,294 | | 10,548,294 | | 10,548,294 |
| Total Assessed Value | 5,487,040,330 | | 5,613,572,880 | | 5,747,652,884 | | 5,988,370,088 | | 6,200,808,285 | | 6,409,625,177 |
| 1% General Levy | 54,870,403 | | 56,135,729 | | 57,476,529 | | 59,883,701 | | 62,008,083 | | 64,096,252 |
| OCFA Tax Rate 12-13 | 10.34535% | | 10.34535% | | 10.34535% | | 10.34535% | | 10.34535% | | 10.34535% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$5,676,533 | | \$5,807,435 | | \$5,946,146 | | \$6,195,176 | | \$6,414,951 | | \$6,630,979 |
| 6) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
| | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| CITY OF LAGUNA NIGUEL | | | | | | | | | | | |
| Secured | 11,888,803,533 | | | | | | | | | | |
| Secured-HOX value | <u>97,603,800</u> | | | | | | | | | | |
| Secured total | 11,986,407,333 | 1.75% | 12,196,169,461 | 2.14% | 12,579,759,197 | 3.26% | 13,061,261,904 | 3.64% | 13,692,199,419 | 3.45% | 14,164,580,298 |
| Projected Secured New Value | | | <u>120,324,674</u> | | <u>68,842,090</u> | | <u>150,364,600</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 11,986,407,333 | | 12,316,494,135 | | 12,648,601,287 | | 13,211,626,504 | | 13,692,199,419 | | 14,164,580,298 |
| % of Sec. Growth | 1.06% | | 2.75% | | 2.70% | | 4.45% | | 3.64% | | 3.45% |
| Unsecured | 130,202,396 | | | | | | | | | | |
| Unsecured-HOX value | <u>(8,400)</u> | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>130,193,996</u> | 0.00% | <u>130,193,996</u> |
| Total Assessed Value | 12,116,601,329 | | 12,446,688,131 | | 12,778,795,283 | | 13,341,820,500 | | 13,822,393,415 | | 14,294,774,294 |
| 1% General Levy | 121,166,013 | | 124,466,881 | | 127,787,953 | | 133,418,205 | | 138,223,934 | | 142,947,743 |
| OCFA Tax Rate 12-13 | 10.46783% | | 10.46783% | | 10.46783% | | 10.46783% | | 10.46783% | | 10.46783% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$12,683,452 | | \$13,028,982 | | \$13,376,626 | | \$13,965,991 | | \$14,469,047 | | \$14,963,527 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 7) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
|--|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| CITY OF LAGUNA WOODS | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| Secured | 2,106,240,455 | | | | | | | | | | |
| Secured-HOX value | <u>54,290,670</u> | | | | | | | | | | |
| Secured total | 2,160,531,125 | 1.75% | 2,198,340,420 | 2.14% | 2,266,871,036 | 3.26% | 2,346,837,944 | 3.64% | 2,432,204,174 | 3.45% | 2,516,115,218 |
| <i>Projected Secured New Value</i> | | | <u>21,090,285</u> | | <u>5,820,351</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 2,160,531,125 | | 2,219,430,705 | | 2,272,691,387 | | 2,346,837,944 | | 2,432,204,174 | | 2,516,115,218 |
| <i>% of Sec. Growth</i> | <i>0.35%</i> | | <i>2.73%</i> | | <i>2.40%</i> | | <i>3.26%</i> | | <i>3.64%</i> | | <i>3.45%</i> |
| Unsecured | 33,128,242 | | | | | | | | | | |
| Unsecured-HOX value | <u>(35,000)</u> | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>33,093,242</u> | 0.00% | <u>33,093,242</u> |
| Total Assessed Value | 2,193,624,367 | | 2,252,523,947 | | 2,305,784,629 | | 2,379,931,186 | | 2,465,297,416 | | 2,549,208,460 |
| 1% General Levy | 21,936,244 | | 22,525,239 | | 23,057,846 | | 23,799,312 | | 24,652,974 | | 25,492,085 |
| OCFA Tax Rate 12-13 | 11.67308% | | 11.67308% | | 11.67308% | | 11.67308% | | 11.67308% | | 11.67308% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$2,560,635 | | \$2,629,389 | | \$2,691,560 | | \$2,778,112 | | \$2,877,761 | | \$2,975,711 |
| 8) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
| CITY OF LAKE FOREST | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| Secured (Net of CRA Increment) | 9,272,340,937 | | | | | | | | | | |
| Secured-HOX value | <u>101,223,267</u> | | | | | | | | | | |
| less CRA secured base (350,123,833) | | | | | | | | | | | |
| Secured total | 9,023,440,371 | 1.75% | 9,181,350,577 | 2.14% | 9,540,073,834 | 3.26% | 9,898,169,522 | 3.64% | 10,379,568,000 | 3.45% | 11,002,029,391 |
| <i>Projected Secured New Value</i> | | | <u>159,071,730</u> | | <u>45,370,564</u> | | <u>117,093,294</u> | | <u>255,549,826</u> | | <u>282,336,650</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 9,023,440,371 | | 9,340,422,307 | | 9,585,444,398 | | 10,015,262,815 | | 10,635,117,826 | | 11,284,366,041 |
| <i>% of Sec. Growth</i> | <i>-2.38%</i> | | <i>3.51%</i> | | <i>2.62%</i> | | <i>4.48%</i> | | <i>6.19%</i> | | <i>6.10%</i> |
| Unsecured (Net of CRA Increment) | 586,932,571 | | | | | | | | | | |
| Unsecured-HOX value | <u>(35,000)</u> | | | | | | | | | | |
| less CRA unsecured base (21,924,943) | | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>564,972,628</u> | 0.00% | <u>564,972,628</u> |
| CRA base yr value | 372,048,776 | | 372,048,776 | | 372,048,776 | | 372,048,776 | | 372,048,776 | | 372,048,776 |
| Total Assessed Value | 9,960,461,775 | | 10,277,443,711 | | 10,522,465,802 | | 10,952,284,219 | | 11,572,139,230 | | 12,221,387,445 |
| 1% General Levy | 99,604,618 | | 102,774,437 | | 105,224,658 | | 109,522,842 | | 115,721,392 | | 122,213,874 |
| OCFA Tax Rate 12-13 | 11.48979% | | 11.48979% | | 11.48979% | | 11.48979% | | 11.48979% | | 11.48979% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$11,444,359 | | \$11,808,564 | | \$12,090,089 | | \$12,583,942 | | \$13,296,142 | | \$14,042,114 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 9) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
|--|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|
| | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| CITY OF LA PALMA | | | | | | | | | | | |
| Secured (Net of CRA Increment) | 1,279,031,993 | | | | | | | | | | |
| Secured-HOX value | <u>20,753,600</u> | | | | | | | | | | |
| less CRA secured base | (79,728,191) | | | | | | | | | | |
| Secured total | 1,220,057,402 | 1.75% | 1,241,408,407 | 2.14% | 1,277,578,981 | 3.26% | 1,323,368,904 | 3.64% | 1,371,506,448 | 3.45% | 1,418,823,421 |
| Projected Secured New Value | | | <u>9,433,822</u> | | <u>3,979,091</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 1,220,057,402 | | 1,250,842,229 | | 1,281,558,072 | | 1,323,368,904 | | 1,371,506,448 | | 1,418,823,421 |
| % of Sec. Growth | -4.80% | | 2.52% | | 2.46% | | 3.26% | | 3.64% | | 3.45% |
| Unsecured (Net of CRA Increment) | 5,371,069 | | | | | | | | | | |
| Unsecured-HOX value | <u>(7,000)</u> | | | | | | | | | | |
| less CRA unsecured base | (12,864,602) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>-7,500,533</u> | 0.00% | <u>-7,500,533</u> |
| CRA base yr value | 92,592,793 | | 92,592,793 | | 92,592,793 | | 92,592,793 | | 92,592,793 | | 92,592,793 |
| Total Assessed Value | 1,305,149,662 | | 1,335,934,489 | | 1,366,650,332 | | 1,408,461,164 | | 1,456,598,708 | | 1,503,915,681 |
| 1% General Levy | 13,051,497 | | 13,359,345 | | 13,666,503 | | 14,084,612 | | 14,565,987 | | 15,039,157 |
| OCFA Tax Rate 12-13 | 10.24921% | | 10.24921% | | 10.24921% | | 10.24921% | | 10.24921% | | 10.24921% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$1,337,675 | | \$1,369,227 | | \$1,400,708 | | \$1,443,561 | | \$1,492,898 | | \$1,541,394 |
| CITY OF LOS ALAMITOS | | | | | | | | | | | |
| Secured | 1,493,367,980 | | | | | | | | | | |
| Secured-HOX value | <u>10,990,432</u> | | | | | | | | | | |
| Secured total | 1,504,358,412 | 1.75% | 1,530,684,684 | 2.14% | 1,581,931,230 | 3.26% | 1,637,815,693 | 3.64% | 1,728,760,444 | 3.45% | 1,792,428,335 |
| Projected Secured New Value | | | <u>18,140,409</u> | | <u>4,138,924</u> | | <u>30,268,200</u> | | <u>3,891,402</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 1,504,358,412 | | 1,548,825,093 | | 1,586,070,154 | | 1,668,083,893 | | 1,732,651,846 | | 1,792,428,335 |
| % of Sec. Growth | 2.59% | | 2.96% | | 2.40% | | 5.17% | | 3.87% | | 3.45% |
| Unsecured | 133,834,340 | | | | | | | | | | |
| Unsecured-HOX value | 0 | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>133,834,340</u> | 0.00% | <u>133,834,340</u> |
| Total Assessed Value | 1,638,192,752 | | 1,682,659,433 | | 1,719,904,494 | | 1,801,918,233 | | 1,866,486,186 | | 1,926,262,675 |
| 1% General Levy | 16,381,928 | | 16,826,594 | | 17,199,045 | | 18,019,182 | | 18,664,862 | | 19,262,627 |
| OCFA Tax Rate 12-13 | 9.64544% | | 9.64544% | | 9.64544% | | 9.64544% | | 9.64544% | | 9.64544% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$1,580,110 | | \$1,623,000 | | \$1,658,924 | | \$1,738,030 | | \$1,800,309 | | \$1,857,966 |

TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18

| 11) CITY OF MISSION VIEJO | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
|--|-------------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|
| Secured (Net of CRA Increment) | 11,953,782,209 | | | | | | | | | | |
| Secured-HOX value | <u>145,989,200</u> | | | | | | | | | | |
| less CRA secured base (278,617,033) | | | | | | | | | | | |
| Secured total | 11,821,154,376 | 1.75% | 12,028,024,578 | 2.14% | 12,456,788,575 | 3.26% | 12,894,205,789 | 3.64% | 13,391,577,944 | 3.45% | 13,934,361,143 |
| Projected Secured New Value | | | <u>168,072,424</u> | | <u>30,034,608</u> | | <u>27,350,543</u> | | <u>78,080,000</u> | | <u>42,840,000</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 11,821,154,376 | | 12,196,097,002 | | 12,486,823,183 | | 12,921,556,332 | | 13,469,657,944 | | 13,977,201,143 |
| % of Sec. Growth | -1.21% | | 3.17% | | 2.38% | | 3.48% | | 4.24% | | 3.77% |
| Unsecured (Net of CRA Increment) | 157,435,271 | | | | | | | | | | |
| Unsecured-HOX value | <u>(50,400)</u> | | | | | | | | | | |
| less CRA unsecured base (63,479,745) | | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>93,905,126</u> | 0.00% | <u>93,905,126</u> | 0.00% | <u>93,905,126</u> | 0.00% | <u>93,905,126</u> | 0.00% | <u>93,905,126</u> | 0.00% | <u>93,905,126</u> |
| CRA base yr value | <u>342,096,778</u> | | <u>342,096,778</u> | | <u>342,096,778</u> | | <u>342,096,778</u> | | <u>342,096,778</u> | | <u>342,096,778</u> |
| Total Assessed Value | 12,257,156,280 | | 12,632,098,906 | | 12,922,825,087 | | 13,357,558,236 | | 13,905,659,848 | | 14,413,203,047 |
| 1% General Levy | 122,571,563 | | 126,320,989 | | 129,228,251 | | 133,575,582 | | 139,056,598 | | 144,132,030 |
| OCFA Tax Rate 12-13 | 11.20558% | | 11.20558% | | 11.20558% | | 11.20558% | | 11.20558% | | 11.20558% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$13,734,855 | | \$14,155,000 | | \$14,480,775 | | \$14,967,919 | | \$15,582,099 | | \$16,150,830 |
| 12) CITY OF RANCHO SANTA MARGARITA | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
| Secured | 6,376,045,414 | | | | | | | | | | |
| Secured-HOX value | <u>65,000,600</u> | | | | | | | | | | |
| Secured total | 6,441,046,014 | 1.75% | 6,553,764,319 | 2.14% | 6,732,888,610 | 3.26% | 6,966,149,114 | 3.64% | 7,219,542,788 | 3.45% | 7,468,617,014 |
| Projected Secured New Value | | | <u>38,220,613</u> | | <u>13,170,331</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 6,441,046,014 | | 6,591,984,932 | | 6,746,058,941 | | 6,966,149,114 | | 7,219,542,788 | | 7,468,617,014 |
| % of Sec. Growth Above | 0.37% | | 2.34% | | 2.34% | | 3.26% | | 3.64% | | 3.45% |
| Unsecured | 238,180,074 | | | | | | | | | | |
| Unsecured-HOX value | <u>(35,000)</u> | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>238,145,074</u> | 0.00% | <u>238,145,074</u> | 0.00% | <u>238,145,074</u> | 0.00% | <u>238,145,074</u> | 0.00% | <u>238,145,074</u> | 0.00% | <u>238,145,074</u> |
| Total Assessed Value | 6,679,191,088 | | 6,830,130,006 | | 6,984,204,015 | | 7,204,294,188 | | 7,457,687,862 | | 7,706,762,088 |
| 1% General Levy | 66,791,911 | | 68,301,300 | | 69,842,040 | | 72,042,942 | | 74,576,879 | | 77,067,621 |
| OCFA Tax Rate 12-13 | 12.28868% | | 12.28868% | | 12.28868% | | 12.28868% | | 12.28868% | | 12.28868% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$8,207,842 | | \$8,393,326 | | \$8,582,663 | | \$8,853,124 | | \$9,164,512 | | \$9,470,591 |

TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18

| 13) CITY OF SAN JUAN CAPISTRANO | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
|--|-------------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|
| Secured (Net of CRA Increment) | 4,871,055,485 | | | | | | | | | | |
| Secured-HOX value | <u>44,517,737</u> | | | | | | | | | | |
| less CRA secured base | (92,041,625) | | | | | | | | | | |
| Secured total | 4,823,531,597 | 1.75% | 4,907,943,400 | 2.14% | 5,106,537,014 | 3.26% | 5,383,931,028 | 3.64% | 5,685,825,681 | 3.45% | 5,958,458,675 |
| Projected Secured New Value | | | <u>91,725,687</u> | | <u>107,292,816</u> | | <u>102,331,841</u> | | <u>73,921,709</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 4,823,531,597 | | 4,999,669,087 | | 5,213,829,830 | | 5,486,262,869 | | 5,759,747,390 | | 5,958,458,675 |
| % of Sec. Growth | -0.94% | | 3.65% | | 4.28% | | 5.23% | | 4.98% | | 3.45% |
| Unsecured (Net of CRA Increment) | 45,210,278 | | | | | | | | | | |
| Unsecured-HOX value | <u>0</u> | | | | | | | | | | |
| less CRA unsecured base | (15,627,291) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>29,582,987</u> | 0.00% | <u>29,582,987</u> | 0.00% | <u>29,582,987</u> | 0.00% | <u>29,582,987</u> | 0.00% | <u>29,582,987</u> | 0.00% | <u>29,582,987</u> |
| CRA base yr value | <u>107,668,916</u> | | <u>107,668,916</u> | | <u>107,668,916</u> | | <u>107,668,916</u> | | <u>107,668,916</u> | | <u>107,668,916</u> |
| Total Assessed Value | 4,960,783,500 | | 5,136,920,990 | | 5,351,081,733 | | 5,623,514,772 | | 5,896,999,293 | | 6,095,710,578 |
| 1% General Levy | 49,607,835 | | 51,369,210 | | 53,510,817 | | 56,235,148 | | 58,969,993 | | 60,957,106 |
| OCFA Tax Rate 12-13 | 11.84961% | | 11.84961% | | 11.84961% | | 11.84961% | | 11.84961% | | 11.84961% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$5,878,337 | | \$6,087,053 | | \$6,340,825 | | \$6,663,647 | | \$6,987,716 | | \$7,223,181 |
| 14) CITY OF VILLA PARK | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
| Secured | 1,380,964,716 | | | | | | | | | | |
| Secured-HOX value | <u>10,952,200</u> | | | | | | | | | | |
| Secured total | 1,391,916,916 | 1.75% | 1,416,275,462 | 2.14% | 1,488,714,613 | 3.26% | 1,542,039,223 | 3.64% | 1,598,130,900 | 3.45% | 1,653,266,416 |
| Projected Secured New Value | | | <u>41,283,821</u> | | <u>4,605,056</u> | | <u>0</u> | | <u>0</u> | | <u>0</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 1,391,916,916 | | 1,457,559,283 | | 1,493,319,669 | | 1,542,039,223 | | 1,598,130,900 | | 1,653,266,416 |
| % of Sec. Growth | 1.80% | | 4.72% | | 2.45% | | 3.26% | | 3.64% | | 3.45% |
| Unsecured | 6,749,499 | | | | | | | | | | |
| Unsecured-HOX value | <u>0</u> | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>6,749,499</u> | 0.00% | <u>6,749,499</u> | 0.00% | <u>6,749,499</u> | 0.00% | <u>6,749,499</u> | 0.00% | <u>6,749,499</u> | 0.00% | <u>6,749,499</u> |
| Total Assessed Value | 1,398,666,415 | | 1,464,308,782 | | 1,500,069,168 | | 1,548,788,722 | | 1,604,880,399 | | 1,660,015,915 |
| 1% General Levy | 13,986,664 | | 14,643,088 | | 15,000,692 | | 15,487,887 | | 16,048,804 | | 16,600,159 |
| OCFA Tax Rate 12-13 | 10.18006% | | 10.18006% | | 10.18006% | | 10.18006% | | 10.18006% | | 10.18006% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$1,423,850 | | \$1,490,675 | | \$1,527,079 | | \$1,576,676 | | \$1,633,777 | | \$1,689,906 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

**TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18**

| 15) CITY OF YORBA LINDA | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
|--|-------------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|
| Secured (Net of CRA Increment) | 9,151,307,567 | | | | | | | | | | |
| Secured-HOX value | <u>102,331,478</u> | | | | | | | | | | |
| less CRA secured base | (94,795,556) | | | | | | | | | | |
| Secured total | 9,158,843,489 | 1.75% | 9,319,123,250 | 2.14% | 9,684,899,030 | 3.26% | 10,121,858,233 | 3.64% | 10,583,038,110 | 3.45% | 11,024,778,340 |
| Projected Secured New Value | | | <u>163,093,399</u> | | <u>117,166,805</u> | | <u>89,733,237</u> | | <u>74,070,000</u> | | <u>111,844,950</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 9,158,843,489 | | 9,482,216,649 | | 9,802,065,835 | | 10,211,591,470 | | 10,657,108,110 | | 11,136,623,290 |
| % of Sec. Growth | 1.28% | | 3.53% | | 3.37% | | 4.18% | | 4.36% | | 4.50% |
| Unsecured (Net of CRA Increment) | 48,305,125 | | | | | | | | | | |
| Unsecured-HOX value | <u>(112,000)</u> | | | | | | | | | | |
| less CRA unsecured base | (12,460,697) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>35,732,428</u> | 0.00% | <u>35,732,428</u> | 0.00% | <u>35,732,428</u> | 0.00% | <u>35,732,428</u> | 0.00% | <u>35,732,428</u> | 0.00% | <u>35,732,428</u> |
| CRA base yr value | <u>107,256,253</u> | | <u>107,256,253</u> | | <u>107,256,253</u> | | <u>107,256,253</u> | | <u>107,256,253</u> | | <u>107,256,253</u> |
| Total Assessed Value | 9,301,832,170 | | 9,625,205,330 | | 9,945,054,516 | | 10,354,580,151 | | 10,800,096,791 | | 11,279,611,971 |
| 1% General Levy | 93,018,322 | | 96,252,053 | | 99,450,545 | | 103,545,802 | | 108,000,968 | | 112,796,120 |
| OCFA Tax Rate 12-13 | 9.45032% | | 9.45032% | | 9.45032% | | 9.45032% | | 9.45032% | | 9.45032% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$8,790,532 | | \$9,096,130 | | \$9,398,397 | | \$9,785,412 | | \$10,206,440 | | \$10,659,597 |
| 16) COUNTY UNINCORPORATED | CURRENT YEAR 2012-13 | Year 2 Growth Factor | YEAR 2 2013-14 | Year 3 Growth Factor | YEAR 3 2014-15 | Year 4 Growth Factor | YEAR 4 2015-16 | Year 5 Growth Factor | YEAR 5 2016-17 | Year 6 Growth Factor | YEAR 6 2017-18 |
| Secured (Net of CRA Increment) | 18,782,133,564 | | | | | | | | | | |
| Secured-HOX value | <u>160,482,723</u> | | | | | | | | | | |
| less CRA secured base | (505,629,806) | | | | | | | | | | |
| Secured total | 18,436,986,481 | 1.75% | 18,759,633,744 | 2.14% | 19,308,085,947 | 3.26% | 19,986,864,567 | 3.64% | 20,725,458,151 | 3.45% | 21,534,449,265 |
| Projected Secured New Value | | | <u>144,378,932</u> | | <u>47,308,864</u> | | <u>11,165,250</u> | | <u>90,829,200</u> | | <u>107,610,000</u> |
| TOTAL SECURED SUBJECT TO GROWTH | 18,436,986,481 | | 18,904,012,676 | | 19,355,394,811 | | 19,998,029,817 | | 20,816,287,351 | | 21,642,059,265 |
| % of Sec. Growth | -3.58% | | 2.53% | | 2.39% | | 3.32% | | 4.09% | | 3.97% |
| Unsecured (Net of CRA Increment) | 200,266,219 | | | | | | | | | | |
| Unsecured-HOX value | <u>(140,000)</u> | | | | | | | | | | |
| less CRA unsecured base | (128,855,184) | | | | | | | | | | |
| Unsecured Total Subject to Growth | <u>71,271,035</u> | 0.00% | <u>71,271,035</u> | 0.00% | <u>71,271,035</u> | 0.00% | <u>71,271,035</u> | 0.00% | <u>71,271,035</u> | 0.00% | <u>71,271,035</u> |
| CRA base yr value | <u>634,484,990</u> | | <u>634,484,990</u> | | <u>634,484,990</u> | | <u>634,484,990</u> | | <u>634,484,990</u> | | <u>634,484,990</u> |
| Total Assessed Value | 19,142,742,506 | | 19,609,768,701 | | 20,061,150,836 | | 20,703,785,842 | | 21,522,043,376 | | 22,347,815,290 |
| 1% General Levy | 191,427,425 | | 196,097,687 | | 200,611,508 | | 207,037,858 | | 215,220,434 | | 223,478,153 |
| OCFA Tax Rate 12-13 | 12.48654% | | 12.48654% | | 12.48654% | | 12.48654% | | 12.48654% | | 12.48654% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$23,902,656 | | \$24,485,810 | | \$25,049,430 | | \$25,851,859 | | \$26,873,579 | | \$27,904,682 |

TABLE 1
ORANGE COUNTY FIRE AUTHORITY
Property Tax Revenue Projections
Fiscal Years 2012-13 through 2017-18

| 17) | CURRENT YEAR | Year 2 Growth Factor | YEAR 2 | Year 3 Growth Factor | YEAR 3 | Year 4 Growth Factor | YEAR 4 | Year 5 Growth Factor | YEAR 5 | Year 6 Growth Factor | YEAR 6 |
|--|------------------------|----------------------------|------------------------|----------------------------|------------------------|----------------------------|------------------------|----------------------------|------------------------|----------------------------|------------------------|
| TOTAL OCFA | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 |
| Secured (Net of CRA Increment) | 148,177,375,322 | | | | | | | | | | |
| Secured-HOX value | 1,245,590,336 | | | | | | | | | | |
| less CRA secured base | (1,633,162,561) | | | | | | | | | | |
| Secured total (net of CRA value) | 147,789,803,097 | 1.75% | 150,376,124,651 | 2.14% | 155,528,368,898 | 3.26% | 162,003,739,052 | 3.64% | 169,431,049,204 | 3.45% | 176,542,848,701 |
| Projected Secured New Value | | | <u>1,897,397,706</u> | | <u>1,356,985,468</u> | | 1,480,568,466 | | 1,224,193,620 | | 1,225,361,276 |
| TOTAL SECURED SUBJECT TO GROWTH | 147,789,803,097 | | 152,273,522,357 | | 156,885,354,365 | | 163,484,307,518 | | 170,655,242,823 | | 177,768,209,977 |
| % of Sec. Growth | 0.49% | | 3.03% | | 3.03% | | 4.21% | | 4.39% | | 4.17% |
| Unsecured (Net of CRA Increment) | 6,086,660,938 | | | | | | | | | | |
| Unsecured-HOX value | (505,384) | | | | | | | | | | |
| less CRA unsecured base | (274,374,839) | | | | | | | | | | |
| Unsecured Total Subject to Growth (net of CRA) | <u>5,811,780,715</u> | 0.00% | <u>5,811,780,715</u> |
| CRA base yr value | 1,907,537,400 | | 1,907,537,400 | | 1,907,537,400 | | 1,907,537,400 | | 1,907,537,400 | | 1,907,537,400 |
| Total Assessed Value | 155,509,121,212 | | 159,992,840,472 | | 164,604,672,480 | | 171,203,625,633 | | 178,374,560,938 | | 185,487,528,092 |
| 1% General Levy | 1,555,091,212 | | 1,599,928,405 | | 1,646,046,725 | | 1,712,036,256 | | 1,783,745,609 | | 1,854,875,281 |
| OCFA Tax Rate 12-13 | 11.56002% | | 11.56002% | | 11.56002% | | 11.56002% | | 11.56002% | | 11.56002% |
| Total Projected Property Tax Revenue (includes HOX rev.) | \$179,768,902 | | \$184,929,487 | | \$190,297,967 | | \$197,949,493 | | \$206,278,242 | | \$214,539,297 |
| Secured Property Tax Revenue | \$172,536,683 | | \$177,697,269 | | \$183,065,748 | | \$190,717,275 | | \$199,046,024 | | \$207,307,079 |
| Unsecured Property Tax Revenue | \$7,234,992 | | \$7,234,992 | | \$7,234,992 | | \$7,234,992 | | \$7,234,992 | | \$7,234,992 |
| Total Projected Property Tax Revenue | \$179,771,676 | | \$184,932,262 | | \$190,300,741 | | \$197,952,268 | | \$206,281,016 | | \$214,542,072 |
| Percentage Change in Total Assessed Value | 0.3634% | | 2.8833% | | 2.8825% | | 4.0090% | | 4.1885% | | 3.9877% |
| Percentage Change in Secured Property Tax Revenue | 0.5090% | | 2.9910% | | 3.0211% | | 4.1797% | | 4.3671% | | 4.1503% |
| Percentage Change in Unsecured Property Tax Revenue | -2.2233% | | 0.0000% | | 0.0000% | | 0.0000% | | 0.0000% | | 0.0000% |

NOTE:

Assessed values are net of increases in assessed valuation from redevelopment project areas. Base year values of each redevelopment project area have been subtracted out for the purposes of the application of the annual growth factors. Base year values are added back into the total assessed value to ensure that taxes attributed to the redevelopment project areas base year values are included in RSG's estimates.

APPENDIX B

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**TABLE 2
ORANGE COUNTY FIRE AUTHORITY
New Value Summary
Projected Assessed Valuation Increase**

| JURISDICTION | Year Value Added | New Sales Value(1) | New Building Permit Value | Projected New Development-Approved Projects | Projected New Development- In-Review Projects (2) | TOTAL |
|---------------|------------------|--------------------|---------------------------|---|---|-------------|
| ALISO VIEJO | YR 2013-14 | 47,036,383 | 17,701,330 | | | 64,737,713 |
| | YR 2014-15 | 15,929,674 | - | - | - | 15,929,674 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |
| CYPRESS (3) | YR 2013-14 | 56,585,273 | 13,516,707 | | | 70,101,980 |
| | YR 2014-15 | 8,851,260 | - | - | - | 8,851,260 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |
| DANA POINT | YR 2013-14 | 134,659,250 | 16,340,297 | | | 150,999,547 |
| | YR 2014-15 | 9,150,833 | 6,422,127 | | | 15,572,960 |
| | YR 2015-16 | | 9,227,560 | 15,810,000 | | 25,037,560 |
| | YR 2016-17 | | | | 15,227,135 | 15,227,135 |
| | YR 2017-18 | | | | | |
| IRVINE (3) | YR 2013-14 | 435,554,321 | 168,066,472 | | | 603,620,793 |
| | YR 2014-15 | 76,800,439 | 145,982,019 | 628,863,137 | | 851,645,595 |
| | YR 2015-16 | | 240,327,554 | 628,863,137 | | 869,190,691 |
| | YR 2016-17 | | | 632,624,348 | | 632,624,348 |
| | YR 2017-18 | | | 680,729,676 | | 680,729,676 |
| LAGUNA HILLS | YR 2013-14 | 28,564,900 | 4,536,977 | | | 33,101,877 |
| | YR 2014-15 | 7,980,035 | 1,276,443 | 8,000,000 | | 17,256,478 |
| | YR 2015-16 | | 2,033,251 | 56,000,000 | | 58,033,251 |
| | YR 2016-17 | | | | | |
| | YR 2017-18 | | | | | |
| LAGUNA NIGUEL | YR 2013-14 | 106,577,274 | 13,747,400 | | | 120,324,674 |
| | YR 2014-15 | 30,509,598 | 11,332,492 | 27,000,000 | | 68,842,090 |
| | YR 2015-16 | | 7,664,600 | 142,700,000 | | 150,364,600 |
| | YR 2016-17 | | | | | |
| | YR 2017-18 | | | | | |

**TABLE 2
ORANGE COUNTY FIRE AUTHORITY
New Value Summary
Projected Assessed Valuation Increase**

| JURISDICTION | Year Value Added | New Sales Value(1) | New Building Permit Value | Projected New Development- Approved Projects | Projected New Development- In-Review Projects (2) | TOTAL |
|------------------------|------------------|--------------------|---------------------------|--|---|-------------|
| LAGUNA WOODS | YR 2013-14 | 20,635,285 | 455,000 | | | 21,090,285 |
| | YR 2014-15 | 5,564,221 | 256,130 | - | - | 5,820,351 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |
| LAKE FOREST (3) | YR 2013-14 | 158,236,730 | 835,000 | | | 159,071,730 |
| | YR 2014-15 | 12,442,714 | 22,217,850 | 10,710,000 | - | 45,370,564 |
| | YR 2015-16 | | 1,530,000 | 110,819,754 | 4,743,540 | 117,093,294 |
| | YR 2016-17 | | | 125,511,650 | 130,038,176 | 255,549,826 |
| | YR 2017-18 | | | 125,511,650 | 156,825,000 | 282,336,650 |
| LA PALMA (3) | YR 2013-14 | 7,394,634 | 2,039,188 | | | 9,433,822 |
| | YR 2014-15 | 2,179,091 | 1,800,000 | - | - | 3,979,091 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |
| LOS ALAMITOS | YR 2013-14 | 17,682,609 | 457,800 | | | 18,140,409 |
| | YR 2014-15 | 3,261,562 | 390,412 | 486,951 | - | 4,138,924 |
| | YR 2015-16 | | - | 30,268,200 | - | 30,268,200 |
| | YR 2016-17 | | | 3,891,402 | - | 3,891,402 |
| | YR 2017-18 | | | - | - | - |
| MISSION VIEJO (3) | YR 2013-14 | 109,980,622 | 58,091,802 | | | 168,072,424 |
| | YR 2014-15 | 25,309,608 | 4,725,000 | - | - | 30,034,608 |
| | YR 2015-16 | | 14,803,560 | 12,546,983 | - | 27,350,543 |
| | YR 2016-17 | | | 78,080,000 | - | 78,080,000 |
| | YR 2017-18 | | | 42,840,000 | - | 42,840,000 |
| RANCHO SANTA MARGARITA | YR 2013-14 | 38,220,613 | - | | | 38,220,613 |
| | YR 2014-15 | 6,237,802 | 6,932,529 | - | - | 13,170,331 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |

**TABLE 2
ORANGE COUNTY FIRE AUTHORITY
New Value Summary
Projected Assessed Valuation Increase**

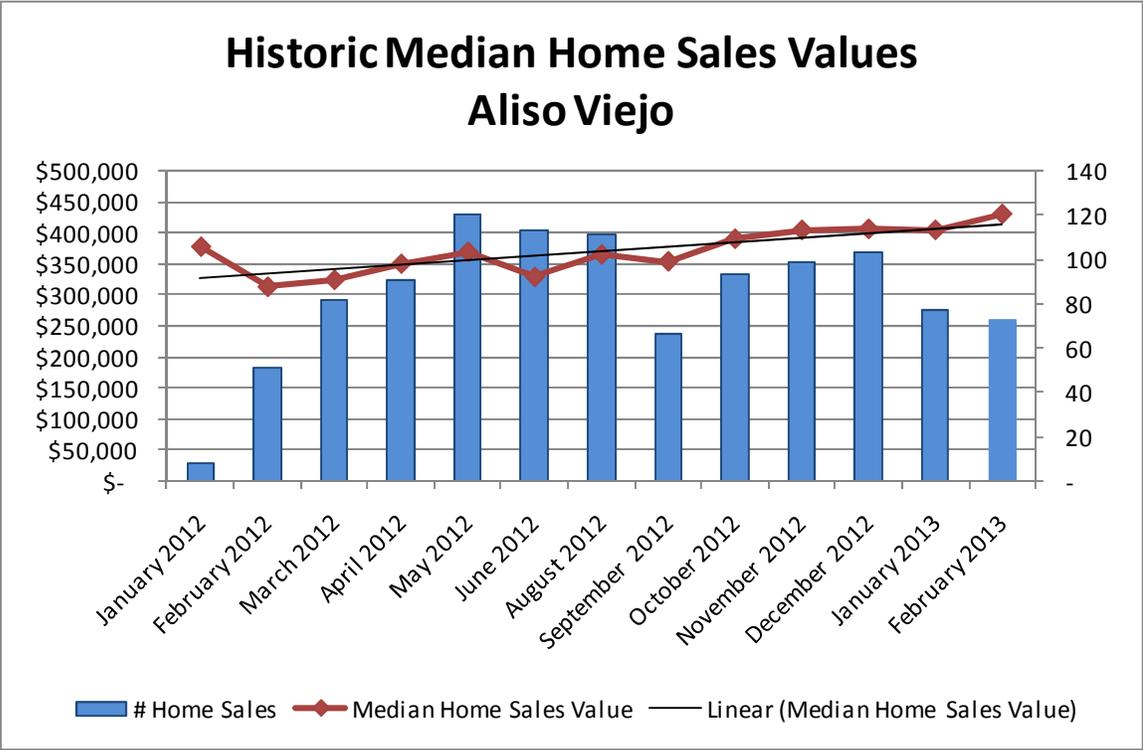
| JURISDICTION | Year Value Added | New Sales Value(1) | New Building Permit Value | Projected New Development-Approved Projects | Projected New Development- In-Review Projects (2) | TOTAL |
|---------------------------|------------------|--------------------|---------------------------|---|---|-------------|
| SAN JUAN CAPISTRANO (3) | YR 2013-14 | 53,535,737 | 38,189,950 | | | 91,725,687 |
| | YR 2014-15 | 6,940,391 | - | 100,352,425 | - | 107,292,816 |
| | YR 2015-16 | | - | 102,331,841 | - | 102,331,841 |
| | YR 2016-17 | | | 73,921,709 | - | 73,921,709 |
| | YR 2017-18 | | | - | - | - |
| VILLA PARK | YR 2013-14 | 39,249,621 | 2,034,200 | | | 41,283,821 |
| | YR 2014-15 | 4,605,056 | - | - | - | 4,605,056 |
| | YR 2015-16 | | - | - | - | - |
| | YR 2016-17 | | | - | - | - |
| | YR 2017-18 | | | - | - | - |
| YORBA LINDA (3) | YR 2013-14 | 124,374,182 | 38,719,217 | | | 163,093,399 |
| | YR 2014-15 | 22,035,191 | 6,881,614 | 88,250,000 | - | 117,166,805 |
| | YR 2015-16 | | 23,833,472 | 63,085,000 | 2,814,765 | 89,733,237 |
| | YR 2016-17 | | | 74,070,000 | - | 74,070,000 |
| | YR 2017-18 | | | 104,670,000 | 7,174,950 | 111,844,950 |
| COUNTY UNINCORPORATED (3) | YR 2013-14 | 133,258,034 | 11,120,898 | | | 144,378,932 |
| | YR 2014-15 | 24,298,122 | 23,010,742 | - | - | 47,308,864 |
| | YR 2015-16 | | 11,165,250 | - | - | 11,165,250 |
| | YR 2016-17 | | | 73,489,200 | 17,340,000 | 90,829,200 |
| | YR 2017-18 | | | 64,260,000 | 43,350,000 | 107,610,000 |

Notes:

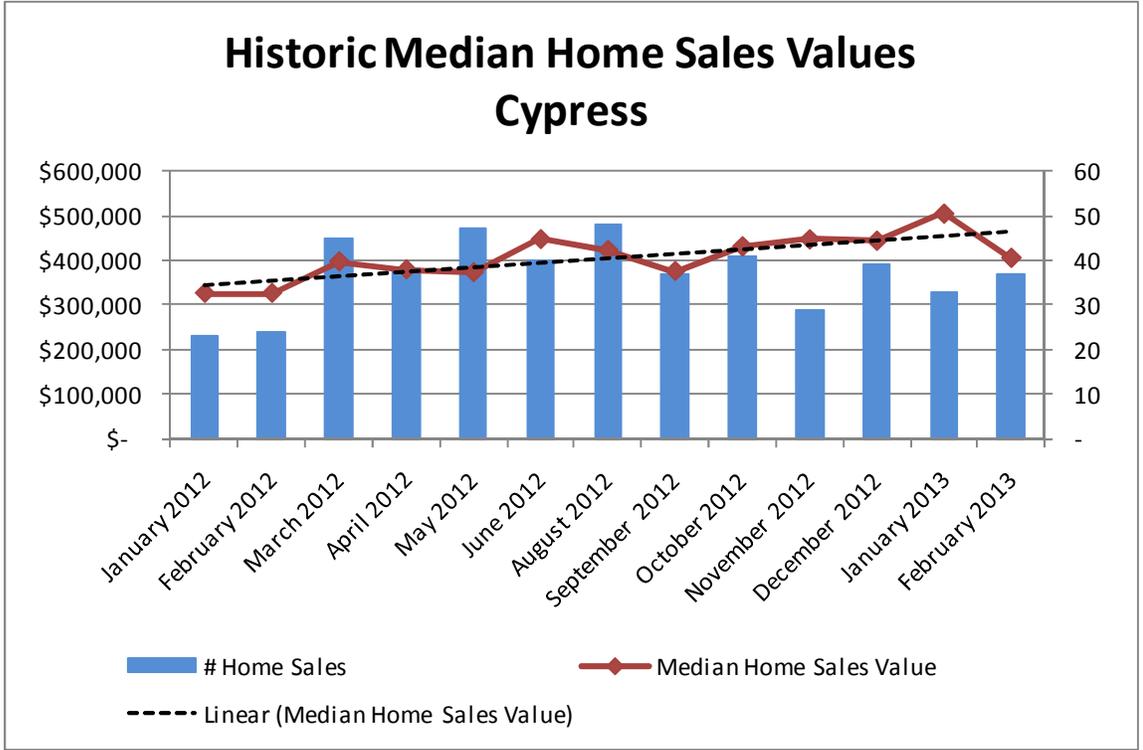
- (1) Property sales are for the period January 1, 2012 through March 12, 2013.
- (2) Projected New Development-In-Review Projects, as identified by each jurisdiction's staff, are tentative and pending entitlements and development agreements.
- (3) Property sales from redevelopment project areas have been excluded from the Projections. Building permit values and new development values have been adjusted to compensate for redevelopment project areas.

APPENDIX C

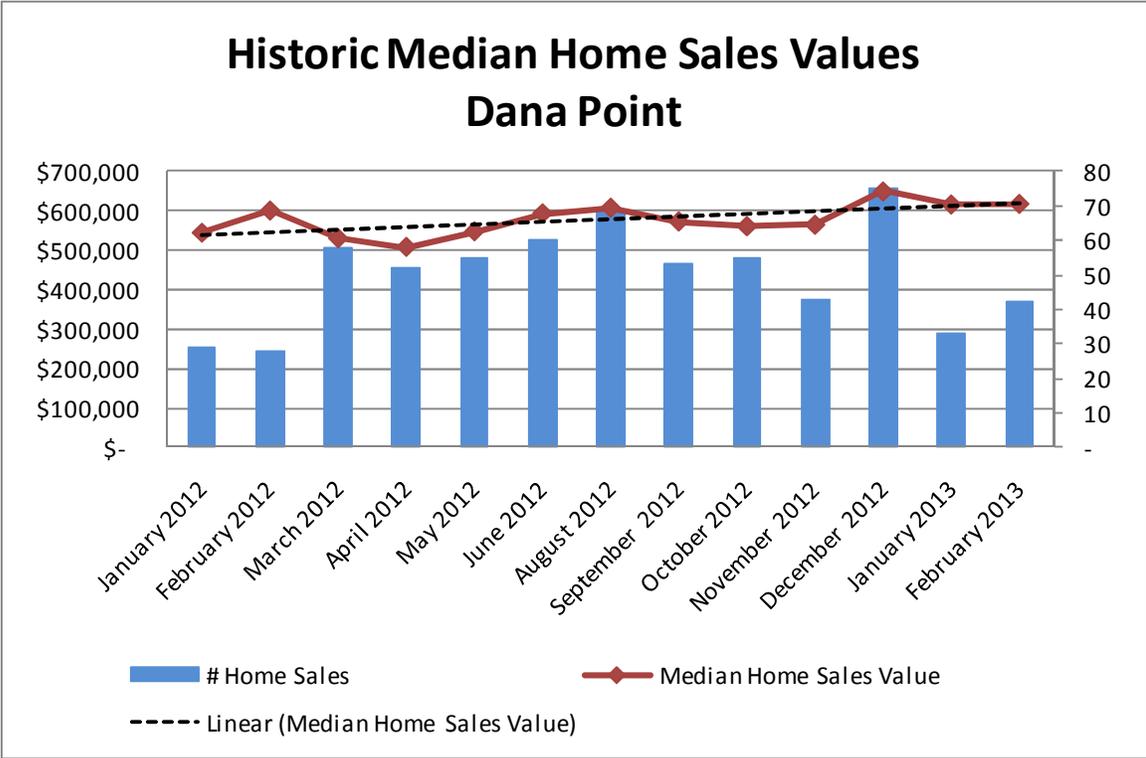
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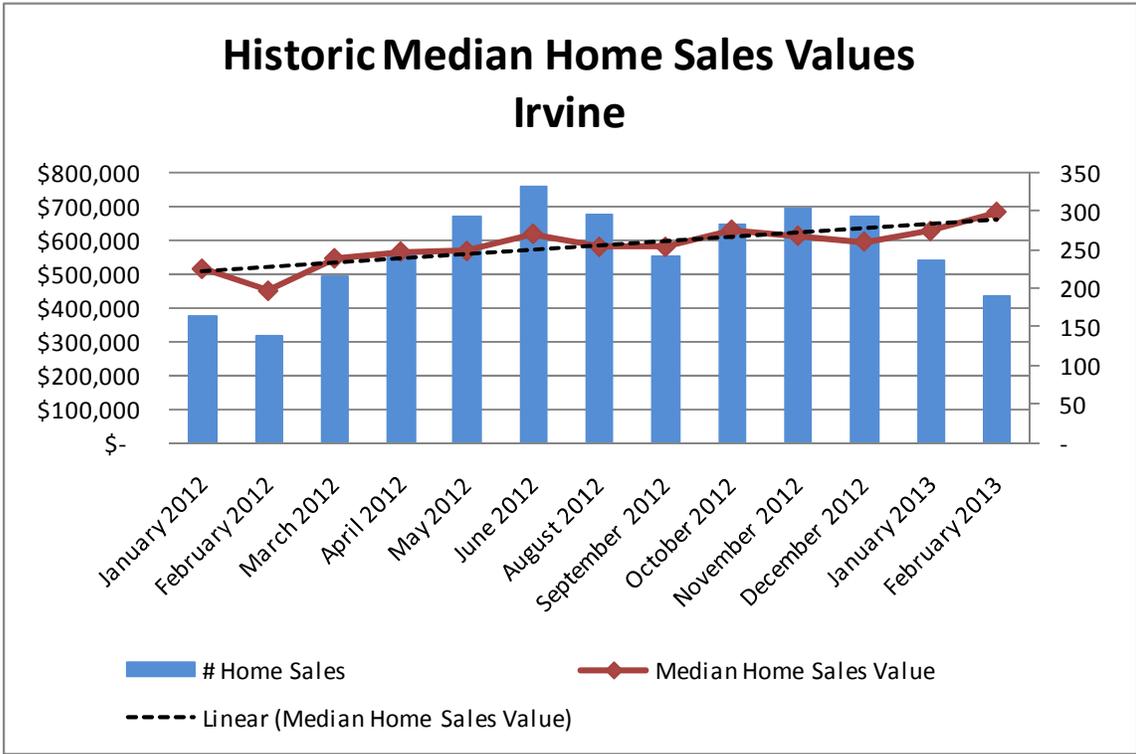
Aliso Viejo % Change in Home Sales Values (January 2012 – February 2013): 14.0%



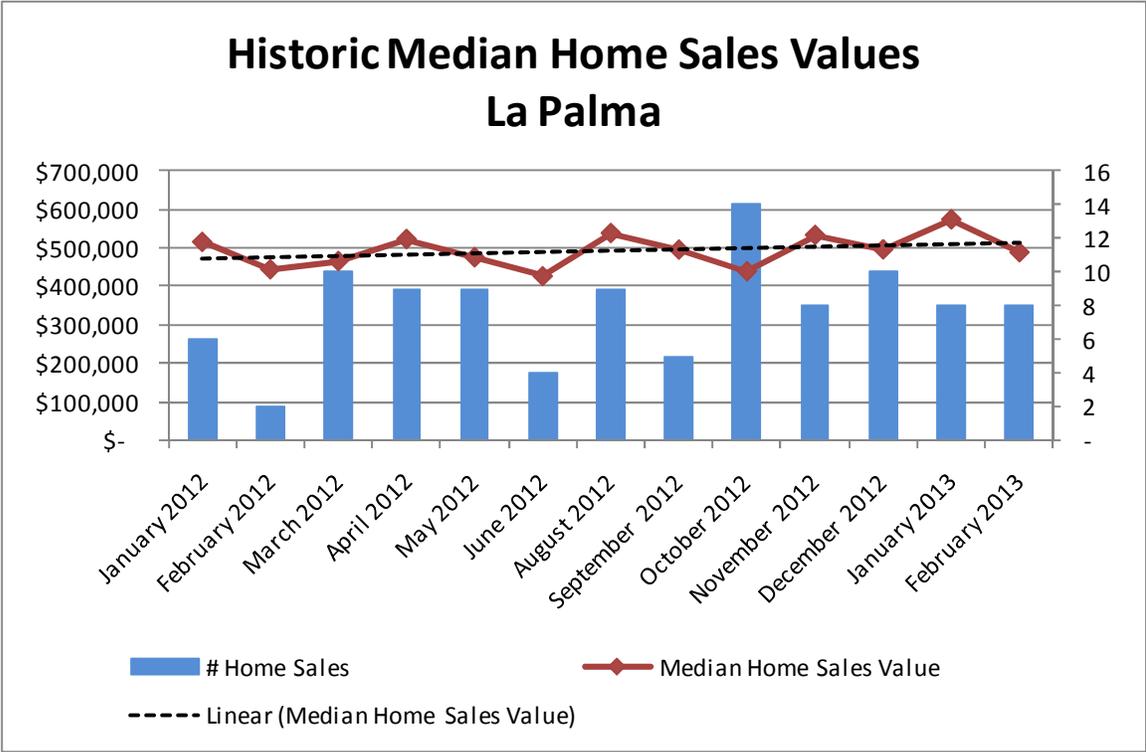
Cypress % Change in Home Sales Values (January 2012 – February 2013): 24.6%



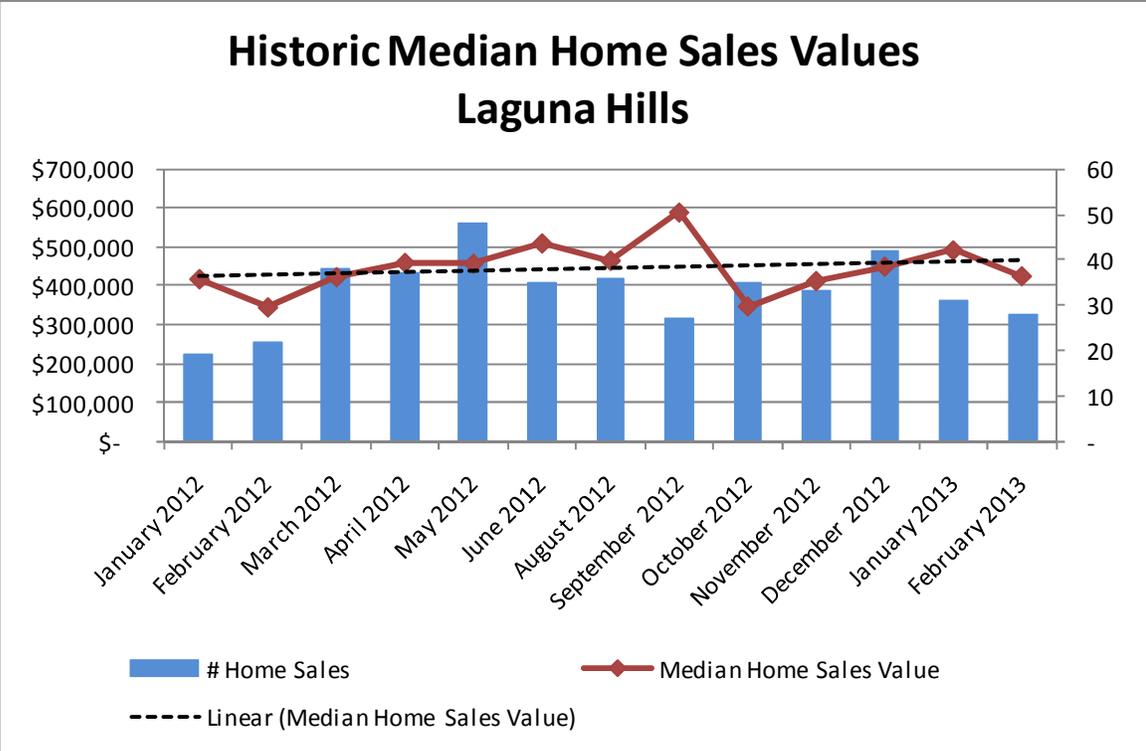
Dana Point % Change in Home Sales Values (January 2012 – February 2013): 13.7%



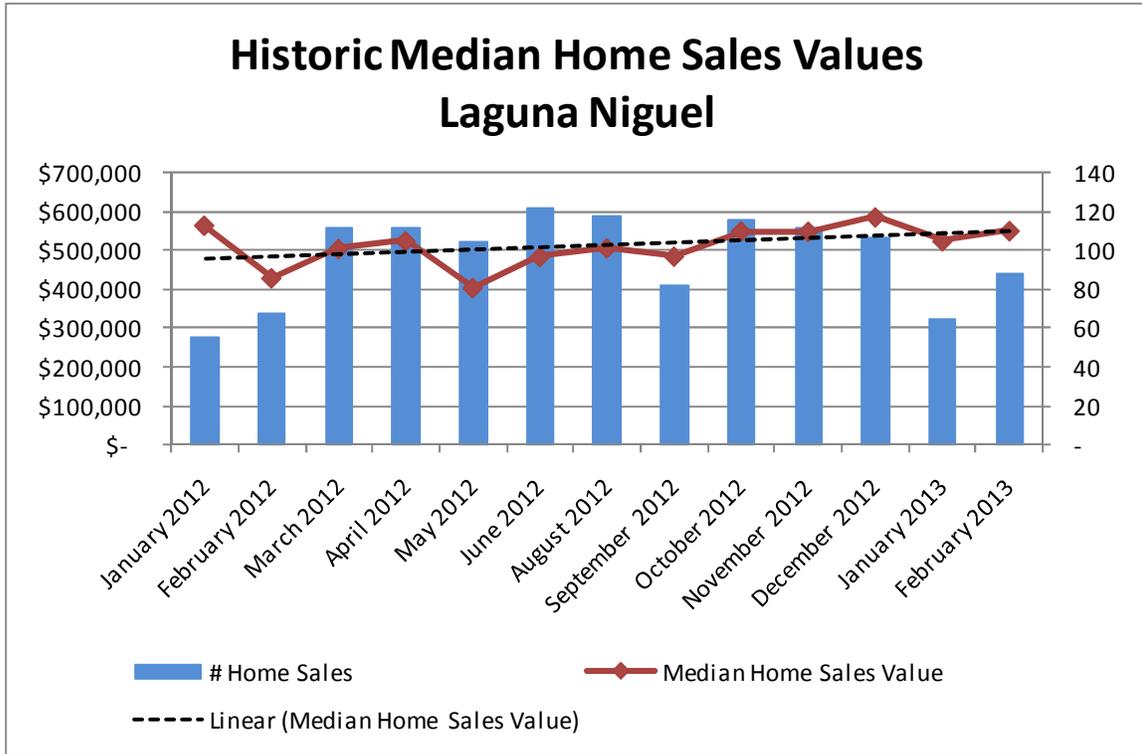
Irvine % Change in Home Sales Values (January 2012 – February 2013): 32.5%



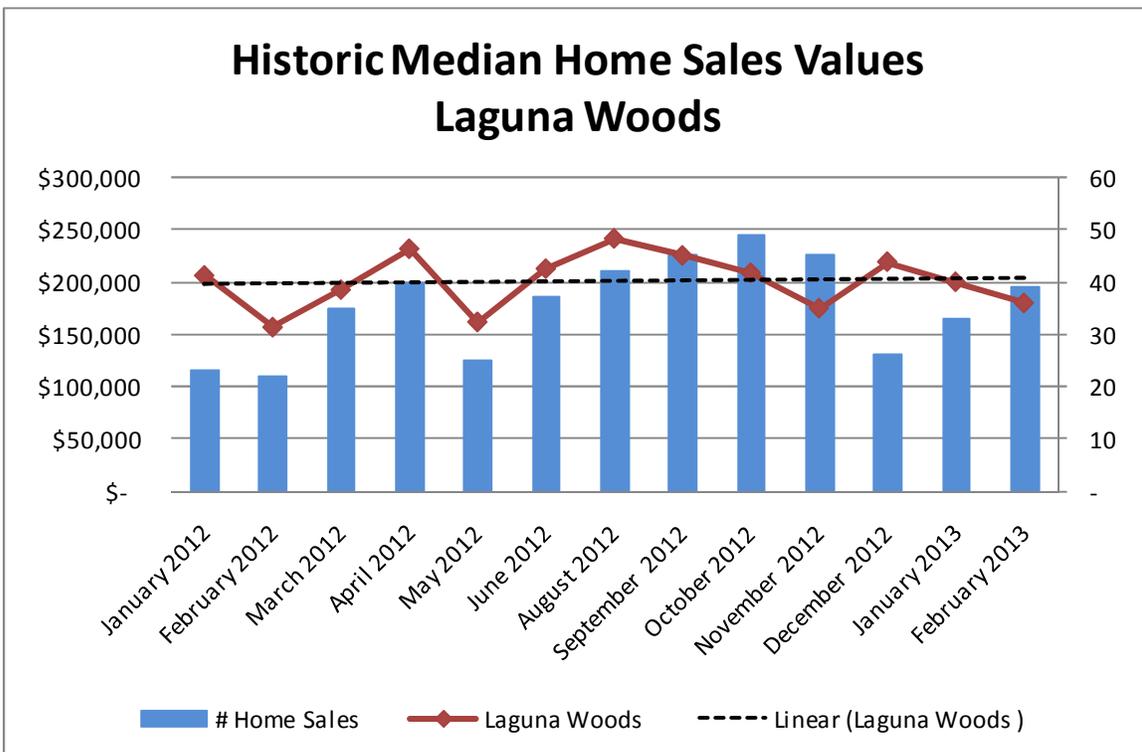
La Palma % Change in Home Sales Values (January 2012 – February 2013): -5.2%



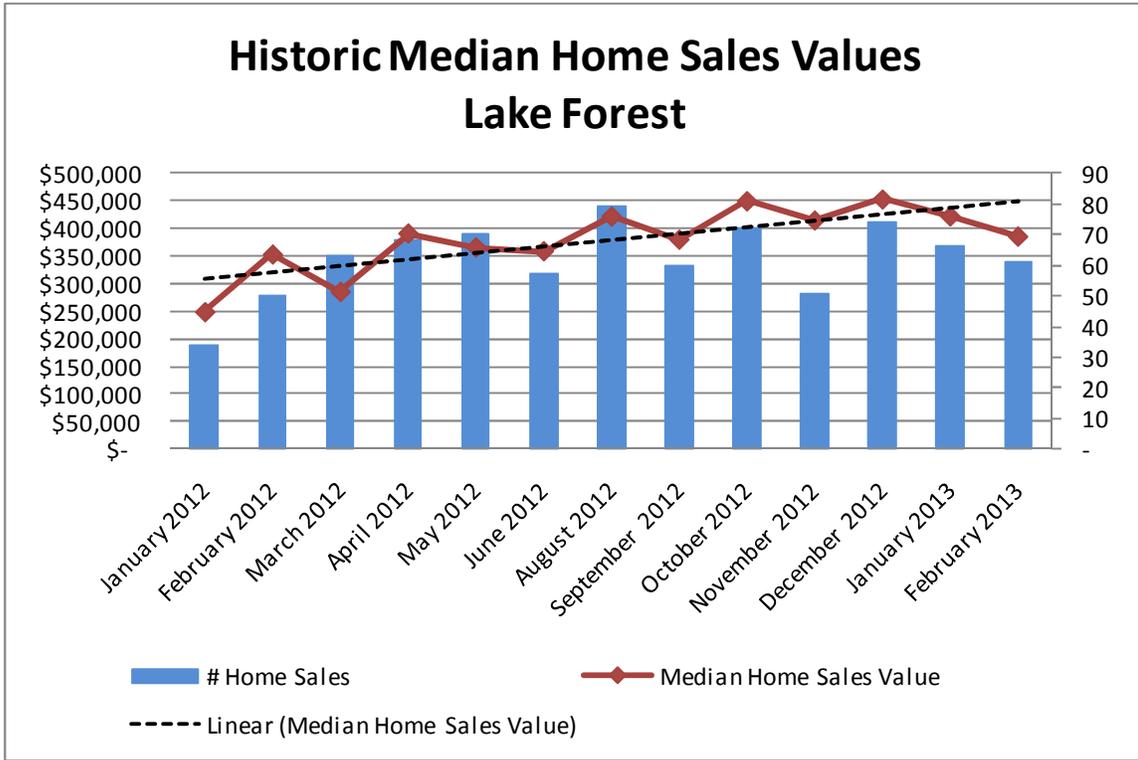
Laguna Hills % Change in Home Sales Values (January 2012 – February 2013): 1.8%



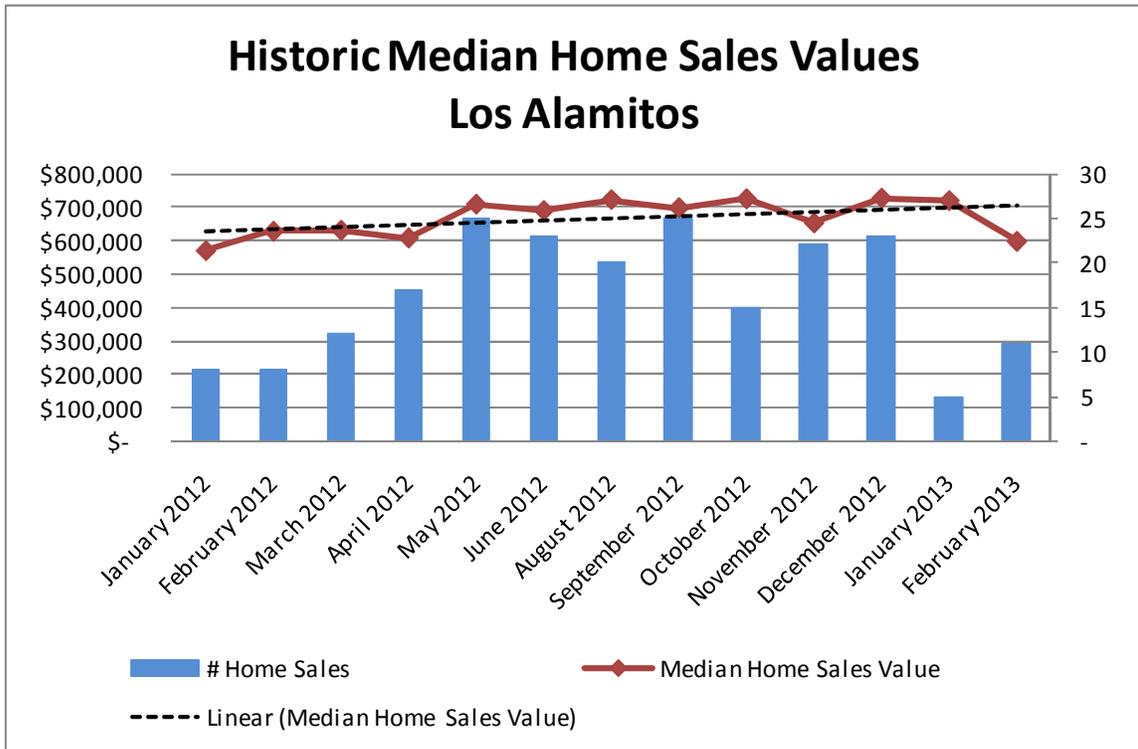
Laguna Niguel % Change in Home Sales Values (January 2012 – February 2013): -2.5%



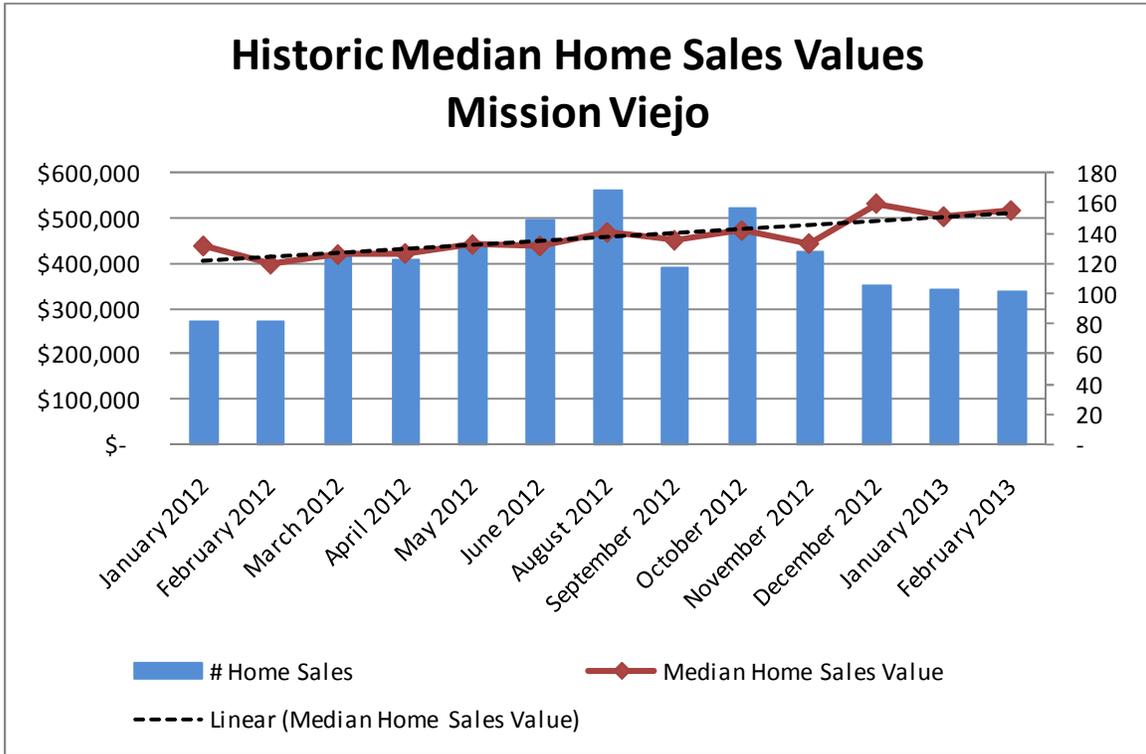
Laguna Woods % Change in Home Sales Values (January 2012 – February 2013): -12.6%



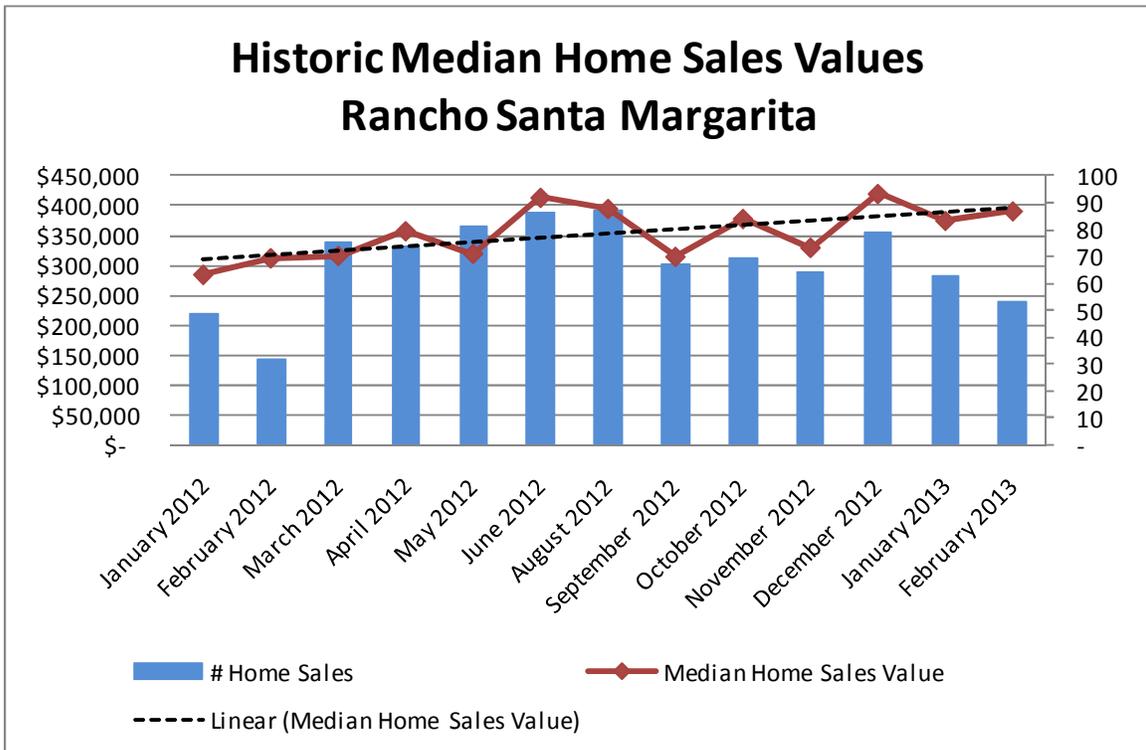
Lake Forest % Change in Home Sales Values (January 2012 – February 2013): 55.4%



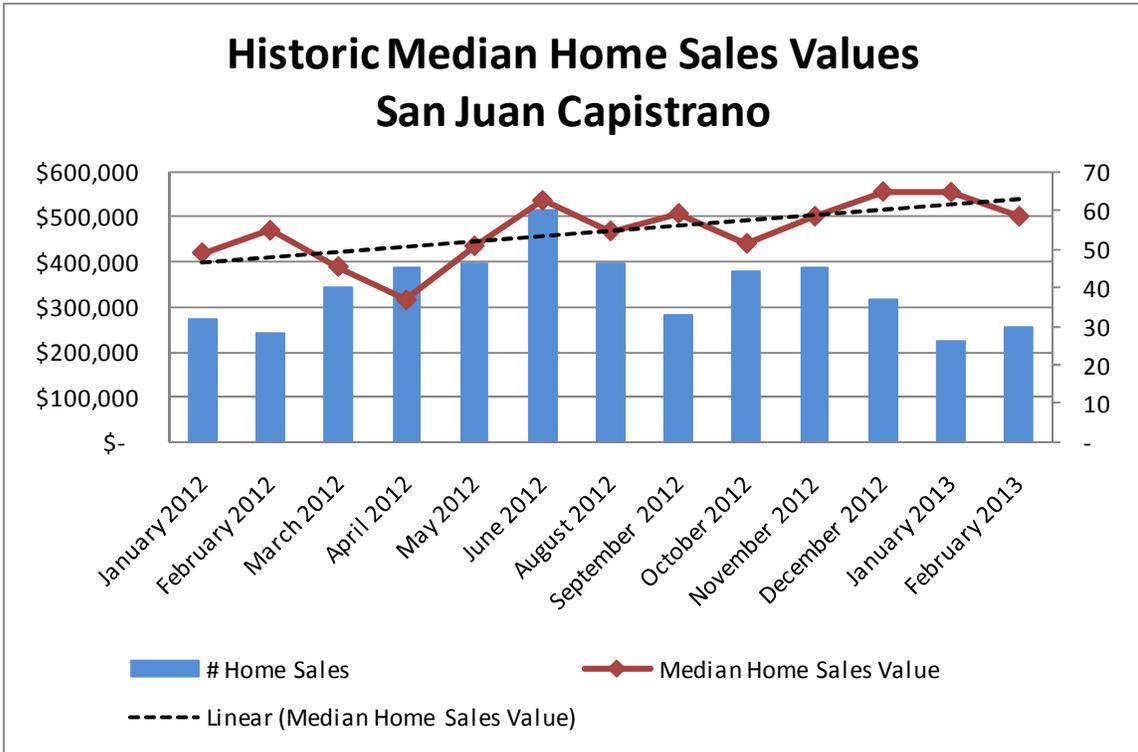
Los Alamitos % Change in Home Sales Values (January 2012 – February 2013): 4.8%



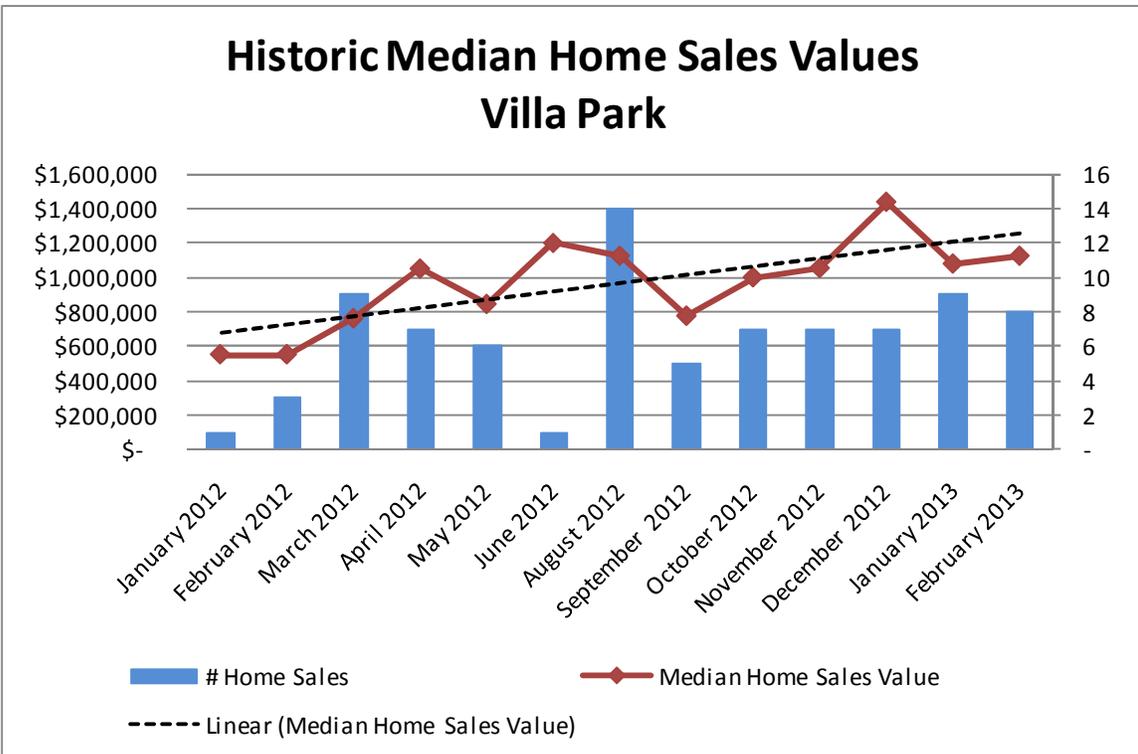
Mission Viejo % Change in Home Sales Values (January 2012 – February 2013): 17.6%



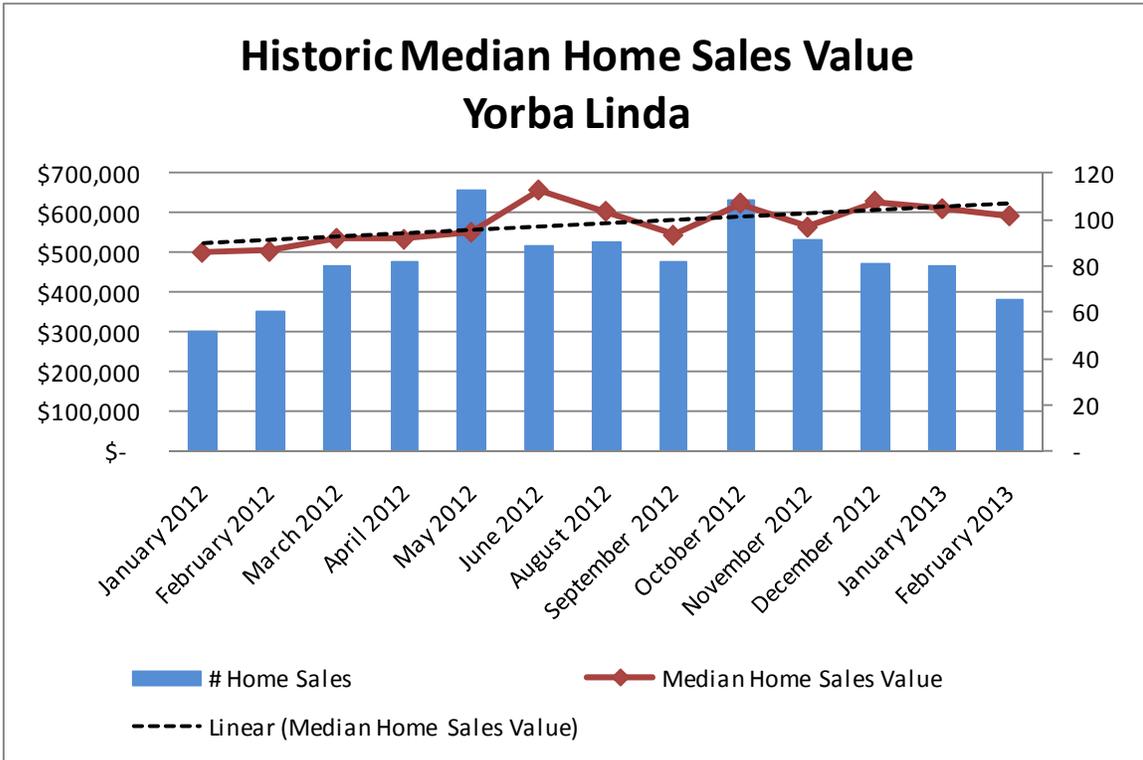
Rancho Santa Margarita % Change in Home Sales Values (January 2012 – February 2013): 37.2%



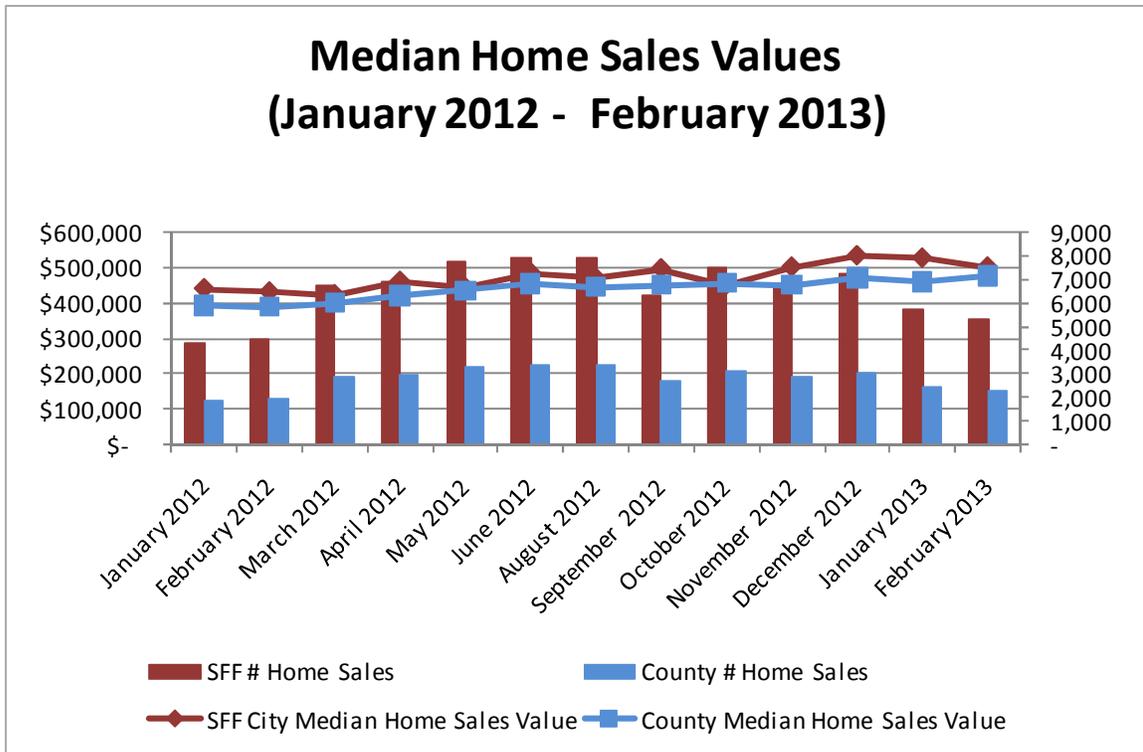
San Juan Capistrano % Change in Home Sales Values (January 2012 – February 2013): 19.2%



Villa Park % Change in Home Sales Values (January 2012 – February 2013): 104.5%



Yorba Linda % Change in Home Sales Values (January 2012 – February 2013): 18.0%



SFF Cities % Change in Home Sales Values (January 2012 – February 2013): 13.8%
Orange County % Change in Home Sales Values (January 2012 – February 2013): 21.7%

APPENDIX D

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**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2012-13 SECURED ROLL - ASSESSMENT APPEALS¹

Table 3-A

| City | Total City-Wide Assessed Value (less CRA Project Area) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value Appealed |
|------------------------|--|--|--|--|--|-----------------------------------|---|---|---|---|---|-------------------------------|
| | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Secured Value Reduction | Board Approved Value as a % of Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| Aliso Viejo | \$ 7,317,055,637 | \$ 79,381,805 | \$ 55,543,901 | 69.97% | \$ 72,328,574 | \$ 7,053,231 | 91.11% | 0.10% | \$ 598,107,995 | \$ 296,597,850 | 49.59% | \$ 677,489,800 |
| Cypress | \$ 4,106,444,655 | \$ 27,343,142 | \$ 14,973,486 | 54.76% | \$ 26,575,896 | \$ 767,246 | 97.19% | 0.02% | \$ 305,665,102 | \$ 130,336,853 | 42.64% | \$ 333,008,244 |
| Dana Point | \$ 8,628,047,847 | \$ 116,292,409 | \$ 53,580,756 | 46.07% | \$ 111,038,342 | \$ 5,254,067 | 95.48% | 0.06% | \$ 535,810,223 | \$ 227,323,998 | 42.43% | \$ 652,102,632 |
| Irvine | \$ 44,431,085,859 | \$ 242,157,247 | \$ 148,514,292 | 61.33% | \$ 232,646,923 | \$ 9,510,324 | 96.07% | 0.02% | \$ 5,552,694,654 | \$ 3,200,736,366 | 57.64% | \$ 5,794,851,901 |
| La Palma | \$ 1,220,057,402 | \$ 4,087,126 | \$ 475,000 | 11.62% | \$ 3,750,240 | \$ 336,886 | 91.76% | 0.03% | \$ 16,751,187 | \$ 10,003,645 | 59.72% | \$ 20,838,313 |
| Laguna Hills | \$ 5,338,895,583 | \$ 19,810,329 | \$ 9,250,300 | 46.69% | \$ 18,484,474 | \$ 1,325,855 | 93.31% | 0.02% | \$ 484,401,923 | \$ 219,262,346 | 45.26% | \$ 504,212,252 |
| Laguna Niguel | \$ 11,986,407,333 | \$ 57,245,765 | \$ 26,106,803 | 45.60% | \$ 52,950,412 | \$ 4,295,353 | 92.50% | 0.04% | \$ 605,323,469 | \$ 341,062,080 | 56.34% | \$ 662,569,234 |
| Laguna Woods | \$ 2,160,531,125 | \$ 93,875,922 | \$ 1,802,725 | 1.92% | \$ 93,633,297 | \$ 242,625 | 99.74% | 0.01% | \$ 325,062,548 | \$ 25,493,023 | 7.84% | \$ 418,938,470 |
| Lake Forest | \$ 9,023,440,371 | \$ 62,930,254 | \$ 12,306,079 | 19.56% | \$ 57,268,123 | \$ 5,662,131 | 91.00% | 0.06% | \$ 1,196,636,393 | \$ 619,366,400 | 51.76% | \$ 1,259,566,647 |
| Los Alamitos | \$ 1,504,358,412 | \$ 6,037,076 | \$ 1,575,000 | 0.00% | \$ 6,037,076 | \$ - | 0.00% | 0.00% | \$ 177,054,685 | \$ 118,401,008 | 66.87% | \$ 183,091,761 |
| Mission Viejo | \$ 11,821,154,376 | \$ 34,369,593 | \$ 17,295,897 | 50.32% | \$ 33,521,825 | \$ 847,768 | 97.53% | 0.01% | \$ 475,603,610 | \$ 242,790,096 | 51.05% | \$ 509,973,203 |
| Rancho Santa Margarita | \$ 6,441,046,014 | \$ 19,727,952 | \$ 8,672,862 | 43.96% | \$ 19,220,276 | \$ 507,676 | 97.43% | 0.01% | \$ 271,029,058 | \$ 158,677,429 | 58.55% | \$ 290,757,010 |
| San Juan Capistrano | \$ 4,823,531,597 | \$ 21,715,415 | \$ 9,354,010 | 43.08% | \$ 19,796,665 | \$ 1,918,750 | 91.16% | 0.04% | \$ 255,831,064 | \$ 132,019,259 | 51.60% | \$ 277,546,479 |
| Villa Park | \$ 1,391,916,916 | \$ 9,483,072 | \$ 4,673,512 | 49.28% | \$ 8,325,640 | \$ 1,157,432 | 87.79% | 0.08% | \$ 33,246,073 | \$ 16,860,226 | 0.00% | \$ 42,729,145 |
| Yorba Linda | \$ 9,158,843,489 | \$ 30,608,279 | \$ 15,206,350 | 49.68% | \$ 29,549,282 | \$ 1,058,997 | 96.54% | 0.01% | \$ 177,629,058 | \$ 107,433,987 | 60.48% | \$ 208,237,337 |
| County Unincorporated | \$ 18,436,986,481 | \$ 129,267,164 | \$ 55,156,907 | 42.67% | \$ 122,908,069 | \$ 6,359,095 | 95.08% | 0.03% | \$ 691,232,387 | \$ 247,464,860 | 35.80% | \$ 820,499,551 |
| TOTAL | \$ 147,789,803,097 | \$ 954,332,550 | \$ 434,487,880 | 45.53% | \$ 908,035,114 | \$ 46,297,436 | 95.15% | 0.03% | \$ 11,702,079,429 | \$ 6,093,829,426 | 52.07% | \$ 12,656,411,979 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finaled appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2011-12 SECURED ROLL - ASSESSMENT APPEALS¹

Table 3-B

| City | Total City-Wide Assessed Value (less CRA Project Area) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value Appealed |
|------------------------|--|--|--|--|--|-----------------------------------|---|---|---|---|---|-------------------------------|
| | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Secured Value Reduction | Board Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| Aliso Viejo | \$ 7,205,383,638 | \$ 699,912,017 | \$ 382,471,284 | 54.65% | \$ 655,540,509 | \$ 44,371,508 | 93.66% | 0.62% | \$ 146,659,598 | \$ 108,710,273 | 74.12% | \$ 846,571,615 |
| Cypress | \$ 4,271,173,364 | \$ 351,464,007 | \$ 173,873,620 | 49.47% | \$ 334,588,189 | \$ 16,875,818 | 95.20% | 0.40% | \$ 159,301,326 | \$ 88,532,655 | 55.58% | \$ 510,765,333 |
| Dana Point | \$ 8,454,211,714 | \$ 659,655,263 | \$ 340,420,010 | 51.61% | \$ 628,602,080 | \$ 31,053,183 | 95.29% | 0.37% | \$ 186,233,425 | \$ 59,236,339 | 31.81% | \$ 845,888,688 |
| Irvine | \$ 43,071,643,390 | \$ 4,433,110,051 | \$ 2,462,376,524 | 55.55% | \$ 4,038,099,456 | \$ 395,010,595 | 91.09% | 0.92% | \$ 2,518,013,470 | \$ 1,326,255,836 | 52.67% | \$ 6,951,123,521 |
| La Palma | \$ 1,281,532,417 | \$ 35,020,458 | \$ 15,505,980 | 44.28% | \$ 32,830,348 | \$ 2,190,110 | 93.75% | 0.17% | \$ - | \$ - | 0.00% | \$ 35,020,458 |
| Laguna Hills | \$ 5,283,464,050 | \$ 393,667,397 | \$ 232,468,983 | 59.05% | \$ 374,541,993 | \$ 19,125,404 | 95.14% | 0.36% | \$ 137,358,742 | \$ 65,955,000 | 48.02% | \$ 531,026,139 |
| Laguna Niguel | \$ 11,861,236,926 | \$ 635,458,099 | \$ 391,138,587 | 61.55% | \$ 613,916,771 | \$ 21,541,328 | 96.61% | 0.18% | \$ 15,656,625 | \$ 5,077,081 | 32.43% | \$ 651,114,724 |
| Laguna Woods | \$ 2,152,983,070 | \$ 165,812,746 | \$ 47,829,827 | 28.85% | \$ 161,308,709 | \$ 4,504,037 | 97.28% | 0.21% | \$ 3,581,631 | \$ 1,600,000 | 44.67% | \$ 169,394,377 |
| Lake Forest | \$ 9,243,019,268 | \$ 991,835,448 | \$ 570,366,735 | 57.51% | \$ 922,933,719 | \$ 68,901,729 | 93.05% | 0.75% | \$ 268,095,441 | \$ 152,182,500 | 56.76% | \$ 1,259,930,889 |
| Los Alamitos | \$ 1,466,432,221 | \$ 99,276,777 | \$ 63,087,344 | 0.00% | \$ 88,475,340 | \$ 10,801,437 | 0.00% | 0.74% | \$ 1,373,827 | \$ - | 0.00% | \$ 100,650,604 |
| Mission Viejo | \$ 11,965,585,946 | \$ 728,423,568 | \$ 522,036,783 | 71.67% | \$ 702,892,434 | \$ 25,531,134 | 96.50% | 0.21% | \$ 129,391,284 | \$ 51,603,106 | 39.88% | \$ 857,814,852 |
| Rancho Santa Margarita | \$ 6,417,215,785 | \$ 274,234,072 | \$ 179,203,064 | 65.35% | \$ 263,396,905 | \$ 10,837,167 | 96.05% | 0.17% | \$ 42,374,352 | \$ 28,464,000 | 67.17% | \$ 316,608,424 |
| San Juan Capistrano | \$ 4,869,169,353 | \$ 184,100,274 | \$ 93,186,080 | 50.62% | \$ 171,945,534 | \$ 12,154,740 | 93.40% | 0.25% | \$ 2,944,877 | \$ 2,944,877 | 100.00% | \$ 187,045,151 |
| Villa Park | \$ 1,367,351,861 | \$ 59,578,180 | \$ 28,693,834 | 48.16% | \$ 56,985,854 | \$ 2,592,326 | 95.65% | 0.19% | \$ - | \$ - | 0.00% | \$ 59,578,180 |
| Yorba Linda | \$ 9,043,351,364 | \$ 293,457,501 | \$ 164,707,914 | 56.13% | \$ 274,843,056 | \$ 18,614,445 | 93.66% | 0.21% | \$ 32,473,712 | \$ 19,838,000 | 61.09% | \$ 325,931,213 |
| County Unincorporated | \$ 19,121,517,573 | \$ 888,710,164 | \$ 419,629,001 | 47.22% | \$ 828,839,955 | \$ 59,870,209 | 93.26% | 0.31% | \$ 231,028,499 | \$ 50,725,745 | 21.96% | \$ 1,119,738,663 |
| TOTAL | \$ 147,075,271,940 | \$ 10,893,716,022 | \$ 6,086,995,570 | 55.88% | \$ 10,149,740,852 | \$ 743,975,170 | 93.17% | 0.51% | \$ 3,874,486,809 | \$ 1,961,125,412 | 50.62% | \$ 14,768,202,831 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finalized appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2010-11 SECURED ROLL - ASSESSMENT APPEALS¹

Table 3-C

| City | Total City-Wide Assessed Value (less CRA Project Area) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value Appealed |
|------------------------|--|--|--|--|--|-----------------------------------|---|---|---|---|---|-------------------------------|
| | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Secured Value Reduction | Board Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| Aliso Viejo | \$ 7,139,872,362 | \$ 947,376,797 | \$ 472,484,436 | 49.87% | \$ 894,098,759 | \$ 53,278,038 | 94.38% | 0.75% | \$ - | \$ - | #DIV/0! | \$ 947,376,797 |
| Cypress | \$ 4,215,497,616 | \$ 484,843,951 | \$ 257,103,010 | 53.03% | \$ 444,087,612 | \$ 40,756,339 | 91.59% | 0.97% | \$ 654,536 | \$ 9,800,000 | 1497.24% | \$ 485,498,487 |
| Dana Point | \$ 8,416,547,236 | \$ 910,947,458 | \$ 426,833,529 | 46.86% | \$ 852,570,497 | \$ 58,376,961 | 93.59% | 0.69% | \$ 191,672,172 | \$ 51,590,000 | 26.92% | \$ 1,102,619,630 |
| Irvine | \$ 42,398,998,964 | \$ 7,393,554,976 | \$ 4,258,165,748 | 57.59% | \$ 6,437,236,430 | \$ 956,318,546 | 87.07% | 2.26% | \$ 28,337,736 | \$ 234,529,463 | 827.62% | \$ 7,421,892,712 |
| La Palma | \$ 1,265,578,735 | \$ 34,458,395 | \$ 15,889,980 | 46.11% | \$ 29,638,085 | \$ 4,820,310 | 86.01% | 0.38% | \$ - | \$ - | 0.00% | \$ 34,458,395 |
| Laguna Hills | \$ 5,276,850,036 | \$ 538,357,648 | \$ 302,910,350 | 56.27% | \$ 497,632,999 | \$ 40,724,649 | 92.44% | 0.77% | \$ - | \$ - | 0.00% | \$ 538,357,648 |
| Laguna Niguel | \$ 11,756,766,573 | \$ 662,571,248 | \$ 362,152,518 | 54.66% | \$ 630,149,919 | \$ 32,421,329 | 95.11% | 0.28% | \$ - | \$ - | 0.00% | \$ 662,571,248 |
| Laguna Woods | \$ 2,181,771,620 | \$ 153,944,056 | \$ 42,647,576 | 27.70% | \$ 142,178,660 | \$ 11,765,396 | 92.36% | 0.54% | \$ 199,113 | \$ - | 0.00% | \$ 154,143,169 |
| Lake Forest | \$ 9,212,026,410 | \$ 1,233,033,217 | \$ 644,875,294 | 52.30% | \$ 1,080,892,633 | \$ 152,140,584 | 87.66% | 1.65% | \$ 7,870,968 | \$ 38,419,000 | 488.11% | \$ 1,240,904,185 |
| Los Alamitos | \$ 1,460,773,886 | \$ 164,392,204 | \$ 100,953,512 | 0.00% | \$ 151,126,467 | \$ 13,265,737 | 0.00% | 0.91% | \$ 6,574,844 | \$ 6,000,000 | 91.26% | \$ 170,967,048 |
| Mission Viejo | \$ 11,904,338,925 | \$ 906,742,103 | \$ 520,037,926 | 57.35% | \$ 834,210,045 | \$ 72,532,058 | 92.00% | 0.61% | \$ 462,381 | \$ 2,152,455 | 465.52% | \$ 907,204,484 |
| Rancho Santa Margarita | \$ 6,393,048,882 | \$ 396,482,521 | \$ 235,571,502 | 59.42% | \$ 376,704,731 | \$ 19,777,790 | 95.01% | 0.31% | \$ - | \$ - | #DIV/0! | \$ 396,482,521 |
| San Juan Capistrano | \$ 4,883,027,820 | \$ 311,967,432 | \$ 181,509,719 | 58.18% | \$ 266,993,522 | \$ 44,973,910 | 85.58% | 0.92% | \$ 2,105,529 | \$ 1,475,000 | 70.05% | \$ 314,072,961 |
| Villa Park | \$ 1,347,436,425 | \$ 33,873,968 | \$ 20,212,948 | 59.67% | \$ 32,422,091 | \$ 1,451,877 | 95.71% | 0.11% | \$ - | \$ - | 0.00% | \$ 33,873,968 |
| Yorba Linda | \$ 8,707,340,156 | \$ 217,308,337 | \$ 123,924,044 | 57.03% | \$ 201,999,591 | \$ 15,308,746 | 92.96% | 0.18% | \$ 2,074,393 | \$ 1,240,400 | 59.80% | \$ 219,382,730 |
| County Unincorporated | \$ 19,141,139,988 | \$ 1,026,011,069 | \$ 465,698,432 | 45.39% | \$ 968,849,413 | \$ 57,161,656 | 94.43% | 0.30% | \$ 1,291,802 | \$ 884,450 | 68.47% | \$ 1,027,302,871 |
| TOTAL | \$ 145,701,015,634 | \$ 15,415,865,380 | \$ 8,430,970,524 | 54.69% | \$ 13,840,791,454 | \$ 1,575,073,926 | 89.78% | 1.08% | \$ 241,243,474 | \$ 346,090,768 | 143.46% | \$ 15,657,108,854 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finaled appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2009-10 SECURED ROLL - ASSESSMENT APPEALS¹

Table 3-D

| City | Total City-Wide Assessed Value (less CRA Project Area) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value Appealed |
|------------------------|--|--|--|--|--|-----------------------------------|---|---|---|---|---|-------------------------------|
| | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Secured Value Reduction | Board Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| Aliso Viejo | \$ 7,264,801,921 | \$ 1,095,736,733 | \$ 638,023,189 | 58.23% | \$ 986,938,372 | \$ 108,798,361 | 90.07% | 1.50% | \$ 700,000 | \$ 500,000 | 71.43% | \$ 1,096,436,733 |
| Cypress | \$ 4,215,651,205 | \$ 474,851,955 | \$ 241,255,599 | 50.81% | \$ 392,721,747 | \$ 82,130,208 | 82.70% | 1.95% | \$ - | \$ - | 0.00% | \$ 474,851,955 |
| Dana Point | \$ 8,467,650,543 | \$ 854,265,236 | \$ 416,003,993 | 48.70% | \$ 784,010,506 | \$ 70,254,730 | 91.78% | 0.83% | \$ 380,270,868 | \$ 44,120,000 | 11.60% | \$ 1,234,536,104 |
| Irvine | \$ 43,058,387,477 | \$ 7,333,079,412 | \$ 3,795,592,474 | 51.76% | \$ 6,308,359,766 | \$ 1,024,719,646 | 86.03% | 2.38% | \$ 292,683 | \$ 175,820 | 60.07% | \$ 7,333,372,095 |
| La Palma | \$ 1,239,946,450 | \$ 33,622,410 | \$ 18,077,240 | 53.77% | \$ 33,607,410 | \$ 15,000 | 99.96% | 0.00% | \$ - | \$ - | 0.00% | \$ 33,622,410 |
| Laguna Hills | \$ 5,390,540,106 | \$ 670,968,064 | \$ 338,835,156 | 50.50% | \$ 593,040,316 | \$ 77,927,748 | 88.39% | 1.45% | \$ - | \$ - | 0.00% | \$ 670,968,064 |
| Laguna Niguel | \$ 11,733,378,210 | \$ 639,620,197 | \$ 338,350,172 | 52.90% | \$ 591,895,485 | \$ 47,724,712 | 92.54% | 0.41% | \$ 651,000 | \$ 560,000 | 86.02% | \$ 640,271,197 |
| Laguna Woods | \$ 2,221,283,663 | \$ 136,911,303 | \$ 51,250,516 | 37.43% | \$ 132,618,378 | \$ 4,292,925 | 96.86% | 0.19% | \$ 17,002,248 | \$ - | 0.00% | \$ 153,913,551 |
| Lake Forest | \$ 9,390,640,933 | \$ 1,716,346,808 | \$ 770,563,146 | 44.90% | \$ 1,544,007,626 | \$ 172,339,182 | 89.96% | 1.84% | \$ 795,374 | \$ 636,299 | 80.00% | \$ 1,717,142,182 |
| Los Alamitos | \$ 1,441,046,366 | \$ 160,488,471 | \$ 95,876,588 | 0.00% | \$ 146,488,679 | \$ 13,999,792 | 0.00% | 0.97% | \$ - | \$ - | 0.00% | \$ 160,488,471 |
| Mission Viejo | \$ 11,813,432,327 | \$ 620,343,306 | \$ 332,275,445 | 53.56% | \$ 570,554,971 | \$ 49,788,335 | 91.97% | 0.42% | \$ - | \$ - | 0.00% | \$ 620,343,306 |
| Rancho Santa Margarita | \$ 6,386,080,904 | \$ 352,638,849 | \$ 211,033,989 | 59.84% | \$ 326,768,708 | \$ 25,870,141 | 92.66% | 0.41% | \$ 598,000 | \$ - | 0.00% | \$ 353,236,849 |
| San Juan Capistrano | \$ 4,893,208,485 | \$ 308,415,660 | \$ 116,814,686 | 37.88% | \$ 282,745,189 | \$ 25,670,471 | 91.68% | 0.52% | \$ - | \$ - | 0.00% | \$ 308,415,660 |
| Villa Park | \$ 1,352,780,571 | \$ 67,180,780 | \$ 34,272,098 | 51.01% | \$ 63,293,356 | \$ 3,887,424 | 94.21% | 0.29% | \$ - | \$ - | 0.00% | \$ 67,180,780 |
| Yorba Linda | \$ 8,616,776,020 | \$ 346,166,273 | \$ 189,630,875 | 54.78% | \$ 331,569,484 | \$ 14,596,789 | 95.78% | 0.17% | \$ 616,000 | \$ 500,000 | 81.17% | \$ 346,782,273 |
| County Unincorporated | \$ 19,037,400,521 | \$ 1,234,412,935 | \$ 490,941,793 | 39.77% | \$ 1,087,595,705 | \$ 146,817,230 | 88.11% | 0.77% | \$ - | \$ - | 0.00% | \$ 1,234,412,935 |
| TOTAL | \$ 146,523,005,702 | \$ 16,045,048,392 | \$ 8,078,796,959 | 50.35% | \$ 14,176,215,698 | \$ 1,868,832,694 | 88.35% | 1.28% | \$ 400,926,173 | \$ 46,492,119 | 11.60% | \$ 16,445,974,565 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finaled appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2008-09 SECURED ROLL - ASSESSMENT APPEALS¹

Table 3-E

| City | Total City-Wide Assessed Value (less CRA Project Area) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value Appealed |
|------------------------|--|--|--|--|--|-----------------------------------|---|---|---|---|---|-------------------------------|
| | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Secured Value Reduction | Board Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| Aliso Viejo | \$ 7,505,458,532 | \$ 594,284,477 | \$ 361,229,392 | 60.78% | \$ 565,171,401 | \$ 29,113,076 | 95.10% | 0.39% | \$ 852,500 | \$ 700,000 | 82.11% | \$ 595,136,977 |
| Cypress | \$ 4,463,669,965 | \$ 228,028,326 | \$ 161,466,240 | 70.81% | \$ 195,674,510 | \$ 32,353,816 | 85.81% | 0.72% | \$ - | \$ - | 0.00% | \$ 228,028,326 |
| Dana Point | \$ 8,576,645,256 | \$ 1,009,279,969 | \$ 567,401,210 | 56.22% | \$ 984,794,626 | \$ 24,485,343 | 97.57% | 0.29% | \$ 486,000 | \$ 386,000 | 79.42% | \$ 1,009,765,969 |
| Irvine | \$ 42,773,594,056 | \$ 4,955,742,236 | \$ 2,604,177,604 | 52.55% | \$ 4,575,958,211 | \$ 379,784,025 | 92.34% | 0.89% | \$ 27,026,468 | \$ 15,397,299 | 56.97% | \$ 4,982,768,704 |
| La Palma | \$ 1,250,353,908 | \$ 16,731,954 | \$ 4,134,017 | 24.71% | \$ 15,836,768 | \$ 895,186 | 94.65% | 0.07% | \$ - | \$ - | 0.00% | \$ 16,731,954 |
| Laguna Hills | \$ 5,516,229,197 | \$ 210,437,540 | \$ 125,704,669 | 59.73% | \$ 194,560,806 | \$ 15,876,734 | 92.46% | 0.29% | \$ - | \$ - | 0.00% | \$ 210,437,540 |
| Laguna Niguel | \$ 12,082,474,442 | \$ 360,774,843 | \$ 158,410,526 | 43.91% | \$ 341,280,703 | \$ 19,494,140 | 94.60% | 0.16% | \$ 4,807,992 | \$ 3,678,444 | 76.51% | \$ 365,582,835 |
| Laguna Woods | \$ 2,263,096,230 | \$ 152,155,089 | \$ 31,979,385 | 21.02% | \$ 136,556,166 | \$ 15,598,923 | 89.75% | 0.69% | \$ - | \$ - | 0.00% | \$ 152,155,089 |
| Lake Forest | \$ 9,627,070,624 | \$ 670,341,076 | \$ 346,080,460 | 51.63% | \$ 619,641,367 | \$ 50,699,709 | 92.44% | 0.53% | \$ 454,000 | \$ 320,000 | 70.48% | \$ 670,795,076 |
| Los Alamitos | \$ 1,430,752,319 | \$ 63,789,206 | \$ 41,540,932 | 0.00% | \$ 62,567,857 | \$ 1,221,349 | 0.00% | 0.09% | \$ - | \$ - | 0.00% | \$ 63,789,206 |
| Mission Viejo | \$ 12,098,165,924 | \$ 422,344,117 | \$ 157,379,438 | 37.26% | \$ 402,322,712 | \$ 20,021,405 | 95.26% | 0.17% | \$ 2,037,000 | \$ 400,000 | 19.64% | \$ 424,381,117 |
| Rancho Santa Margarita | \$ 6,668,374,726 | \$ 215,361,183 | \$ 128,892,026 | 59.85% | \$ 206,959,759 | \$ 8,401,424 | 96.10% | 0.13% | \$ - | \$ - | 0.00% | \$ 215,361,183 |
| San Juan Capistrano | \$ 5,033,400,129 | \$ 180,196,111 | \$ 78,531,082 | 43.58% | \$ 167,972,872 | \$ 12,223,239 | 93.22% | 0.24% | \$ - | \$ - | 0.00% | \$ 180,196,111 |
| Villa Park | \$ 1,349,318,571 | \$ 44,948,516 | \$ 25,305,747 | 56.30% | \$ 43,226,325 | \$ 1,722,191 | 96.17% | 0.13% | \$ - | \$ - | 0.00% | \$ 44,948,516 |
| Yorba Linda | \$ 8,794,947,699 | \$ 263,967,317 | \$ 137,252,520 | 52.00% | \$ 249,370,528 | \$ 14,596,789 | 94.47% | 0.17% | \$ - | \$ - | 0.00% | \$ 263,967,317 |
| County Unincorporated | \$ 19,157,154,327 | \$ 832,273,615 | \$ 423,485,312 | 50.88% | \$ 696,928,931 | \$ 135,344,684 | 83.74% | 0.71% | \$ 10,025,746 | \$ 3,749,916 | 37.40% | \$ 842,299,361 |
| TOTAL | \$ 148,590,705,905 | \$ 10,220,655,575 | \$ 5,352,970,560 | 52.37% | \$ 9,458,823,542 | \$ 761,832,033 | 92.55% | 0.51% | \$ 45,689,706 | \$ 24,631,659 | 53.91% | \$ 10,266,345,281 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finaled appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

APPENDIX E

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**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2008-09 through FY 2012-13 UNSECURED ROLL - ASSESSMENT APPEALS¹

Table 4

ORANGE COUNTY FIRE AUTHORITY

| Year | Jurisdiction | Total City-Wide Assessed Value (less CRA Project Areas) | Appeals Finalized | | | | | | | Appeals Outstanding | | | Total Assessed Value for all Appeals |
|----------------|------------------------|---|--|--|--|--|-------------------------------------|---|---|---|---|---|--------------------------------------|
| | | | Total Assessed Value Under Appeal (Finalized Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Unsecured Value Reduction | Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| 2008-09 | Total | \$ 6,964,417,263 | \$ 954,578,724 | \$ 498,220,398 | 52.2% | \$ 897,051,391 | \$ 57,527,333 | 94.0% | 0.8% | \$ 1,412,289,124 | \$ 443,820,306 | 31.4% | \$ 2,366,867,848 |
| | Aliso Viejo | 286,685,865 | 28,429,970 | 14,526,203 | 51.1% | 24,525,764 | 3,904,206 | 86.3% | 1.4% | 22,318,363 | 871,599 | 3.9% | 50,748,333 |
| | Cypress | 292,642,215 | 23,698,267 | 16,743,368 | 70.7% | 23,003,441 | 694,826 | 97.1% | 0.2% | 6,390,687 | 406,595 | 6.4% | 30,088,954 |
| | Dana Point | 303,263,908 | 26,566,374 | 6,955,617 | 26.2% | 23,008,421 | 3,557,953 | 86.6% | 1.2% | 16,881,074 | 726,612 | 4.3% | 43,447,448 |
| | Irvine | 3,611,870,534 | 559,848,454 | 263,306,083 | 47.0% | 527,995,789 | 31,852,665 | 94.3% | 0.9% | 451,733,501 | 236,874,190 | 52.4% | 1,011,581,955 |
| | La Palma | 5,772,756 | 1,408,654 | 444,807 | 0.0% | 1,403,600 | 5,054 | 0.0% | 0.1% | - | - | 0.0% | 1,408,654 |
| | Laguna Hills | 176,417,184 | 9,459,257 | 4,485,444 | 47.4% | 7,471,725 | 1,987,532 | 79.0% | 1.1% | 15,272,558 | 30,732 | 0.2% | 24,731,815 |
| | Laguna Niguel | 144,642,429 | 15,035,358 | 7,789,892 | 51.8% | 14,296,986 | 738,372 | 95.1% | 0.5% | 24,621,467 | 737,041 | 3.0% | 39,656,825 |
| | Laguna Woods | 32,157,873 | 130,407 | 8,342 | 6.4% | 125,272 | 5,135 | 96.1% | 0.0% | 2,584,744 | - | 0.0% | 2,715,151 |
| | Lake Forest | 563,461,802 | 49,594,890 | 25,902,265 | 52.2% | 45,354,031 | 4,240,859 | 91.4% | 0.8% | 82,554,875 | 32,497,111 | 39.4% | 132,149,765 |
| | Los Alamitos | 151,985,937 | 9,114,011 | 3,964,044 | 43.5% | 7,677,723 | 1,436,288 | 0.0% | 0.9% | 83,795,719 | 26,010,870 | 31.0% | 92,909,730 |
| | Mission Viejo | 187,994,522 | 18,214,722 | 14,065,588 | 77.2% | 17,466,566 | 748,156 | 95.9% | 0.4% | 232,697,935 | 3,608,037 | 1.6% | 250,912,657 |
| | Rancho Santa Margarita | 253,490,450 | 54,561,644 | 39,906,093 | 73.1% | 47,399,705 | 7,161,939 | 86.9% | 2.8% | 29,515,811 | 1,487,563 | 5.0% | 84,077,455 |
| | San Juan Capistrano | 50,008,926 | 3,204,020 | 1,833,198 | 57.2% | 2,638,557 | 565,463 | 82.4% | 1.1% | 13,418,860 | - | 0.0% | 16,622,880 |
| | Villa Park | 6,238,633 | 1,144,437 | 219,456 | 19.2% | 1,113,247 | 31,190 | 97.3% | 0.5% | - | - | 0.0% | 1,144,437 |
| | Yorba Linda | 62,729,379 | 8,701,422 | 1,626,092 | 18.7% | 8,521,613 | 179,809 | 97.9% | 0.3% | - | - | 0.0% | 8,701,422 |
| | County Unincorporated | 835,054,850 | 145,466,837 | 96,443,906 | 66.3% | 145,048,951 | 417,886 | 99.7% | 0.1% | 430,503,530 | 140,569,956 | 32.7% | 575,970,367 |
| 2009-10 | Total | \$ 6,303,955,525 | \$ 1,063,675,454 | \$ 650,427,719 | 61.1% | \$ 1,000,035,835 | \$ 63,639,619 | 94.0% | 1.0% | \$ 1,236,755,405 | \$ 370,525,223 | 30.0% | \$ 2,300,430,859 |
| | Aliso Viejo | 288,375,442 | 20,376,870 | 10,212,629 | 50.1% | 19,338,279 | 1,038,591 | 94.9% | 0.4% | 20,348,636 | 900,856 | 4.4% | 40,725,506 |
| | Cypress | 238,547,828 | 16,966,365 | 6,046,078 | 35.6% | 16,199,243 | 767,122 | 95.5% | 0.3% | 1,440,871 | - | 0.0% | 18,407,236 |
| | Dana Point | 295,751,411 | 34,370,171 | 18,984,531 | 55.2% | 30,797,798 | 3,572,373 | 89.6% | 1.2% | 14,263,240 | 18,649 | 0.1% | 48,633,411 |
| | Irvine | 3,551,314,606 | 604,969,998 | 395,452,115 | 65.4% | 570,933,689 | 34,036,309 | 94.4% | 1.0% | 398,626,207 | 162,117,232 | 40.7% | 1,003,596,205 |
| | La Palma | 7,086,196 | 1,711,836 | 458,938 | 26.8% | 1,615,977 | 95,859 | 94.4% | 1.4% | - | - | 0.0% | 1,711,836 |
| | Laguna Hills | 172,135,177 | 9,980,813 | 3,234,718 | 32.4% | 9,419,482 | 561,331 | 94.4% | 0.3% | 14,414,946 | 39,098 | 0.3% | 24,395,759 |
| | Laguna Niguel | 149,677,518 | 8,727,635 | 5,574,641 | 63.9% | 8,166,304 | 561,331 | 93.6% | 0.4% | 21,157,218 | - | 0.0% | 29,884,853 |
| | Laguna Woods | 52,432,893 | 664,561 | 133,764 | 20.1% | 394,644 | 269,917 | 59.4% | 0.5% | 3,966,472 | 1,005,399 | 0.0% | 4,631,033 |
| | Lake Forest | 622,999,583 | 44,313,997 | 18,492,206 | 41.7% | 40,931,153 | 3,382,844 | 92.4% | 0.5% | 136,328,623 | 51,926,073 | 38.1% | 180,642,620 |
| | Los Alamitos | 148,262,148 | 74,288,278 | 39,656,229 | 53.4% | 66,319,277 | 7,969,001 | 0.0% | 5.4% | 55,210,482 | 24,464,563 | 44.3% | 129,498,760 |
| | Mission Viejo | 199,803,216 | 15,277,439 | 12,152,484 | 79.5% | 14,713,601 | 563,838 | 96.3% | 0.3% | 194,809,713 | 1,359,637 | 0.7% | 210,087,152 |
| | Rancho Santa Margarita | 231,821,987 | 64,418,958 | 36,075,873 | 56.0% | 59,919,019 | 4,499,939 | 93.0% | 1.9% | 21,043,080 | - | 0.0% | 85,462,038 |
| | San Juan Capistrano | 61,016,717 | 1,682,568 | 1,083,472 | 64.4% | 1,355,887 | 326,681 | 80.6% | 0.5% | 20,589,131 | 1,350,000 | 6.6% | 22,271,699 |
| | Villa Park | 6,953,624 | 1,310,832 | 205,893 | 15.7% | 1,298,399 | 12,433 | 99.1% | 0.2% | - | - | 0.0% | 1,310,832 |
| | Yorba Linda | 69,708,245 | 8,173,883 | 976,923 | 12.0% | 8,063,890 | 109,993 | 98.7% | 0.2% | 13,113 | 11,923 | 90.9% | 8,186,996 |
| | County Unincorporated | 208,068,934 | 156,441,250 | 101,687,225 | 65.0% | 150,569,193 | 5,872,057 | 96.2% | 2.8% | 334,543,673 | 127,331,793 | 38.1% | 490,984,923 |

**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2008-09 through FY 2012-13 UNSECURED ROLL - ASSESSMENT APPEALS¹

Table 4

ORANGE COUNTY FIRE AUTHORITY

| Year | Jurisdiction | Total City-Wide Assessed Value (less CRA Project Areas) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value for all Appeals |
|----------------|------------------------|---|--|--|--|--|-------------------------------------|---|---|---|---|---|--------------------------------------|
| | | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Unsecured Value Reduction | Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| 2010-11 | Total | \$ 6,167,536,230 | \$ 782,230,679 | \$ 449,887,231 | 57.5% | \$ 729,803,467 | \$ 52,427,212 | 93.3% | 0.9% | \$ 567,124,814 | \$ 295,867,279 | 52.2% | \$ 1,349,355,493 |
| | Aliso Viejo | 319,689,223 | 20,280,156 | 12,619,624 | 62.2% | 20,257,623 | 22,533 | 99.9% | 0.0% | 7,076,328 | 2,315,997 | 32.7% | 27,356,484 |
| | Cypress | 228,665,077 | 18,424,495 | 4,848,882 | 26.3% | 17,307,952 | 1,116,543 | 93.9% | 0.5% | 421,199 | - | 0.0% | 18,845,694 |
| | Dana Point | 271,200,800 | 28,924,541 | 15,999,388 | 55.3% | 26,044,927 | 2,879,614 | 90.0% | 1.1% | 30,863 | 2,700 | 8.7% | 28,955,404 |
| | Irvine | 3,517,147,550 | 601,173,408 | 371,024,026 | 61.7% | 561,017,018 | 40,156,390 | 93.3% | 1.1% | 218,897,451 | 165,605,930 | 75.7% | 820,070,859 |
| | La Palma | 5,951,488 | 940,643 | 110,771 | 11.8% | 922,639 | 18,004 | 98.1% | 0.3% | - | - | 0.0% | 940,643 |
| | Laguna Hills | 157,926,415 | 2,099,480 | 1,023,424 | 48.7% | 1,661,376 | 438,104 | 79.1% | 0.3% | 5,416,332 | 301,258 | 5.6% | 7,515,812 |
| | Laguna Niguel | 136,184,332 | 3,857,995 | 3,141,745 | 81.4% | 3,847,756 | 10,239 | 99.7% | 0.0% | - | - | 0.0% | 3,857,995 |
| | Laguna Woods | 32,591,191 | 180,764 | 37,748 | 20.9% | 91,700 | 89,064 | 50.7% | 0.3% | 1,771,954 | 1,306,954 | 73.8% | 1,952,718 |
| | Lake Forest | 627,499,144 | 38,779,228 | 15,820,359 | 40.8% | 33,183,513 | 5,595,715 | 85.6% | 0.9% | 122,770,486 | 54,042,330 | 44.0% | 161,549,714 |
| | Los Alamitos | 155,345,877 | 10,256,350 | 3,003,729 | 29.3% | 9,409,628 | 846,722 | 91.7% | 0.5% | 49,447,794 | 23,360,889 | 47.2% | 59,704,144 |
| | Mission Viejo | 189,611,925 | 6,224,173 | 1,514,402 | 24.3% | 5,392,769 | 831,404 | 86.6% | 0.4% | 1,217,535 | - | 0.0% | 7,441,708 |
| | Rancho Santa Margarita | 212,348,410 | 1,921,801 | 1,480,275 | 77.0% | 1,820,313 | 101,488 | 94.7% | 0.0% | 28,853,868 | 20,820,455 | 72.2% | 30,775,669 |
| | San Juan Capistrano | 51,513,753 | 1,186,494 | 854,576 | 72.0% | 1,065,004 | 121,490 | 89.8% | 0.2% | 7,522,195 | 1,350,000 | 17.9% | 8,708,689 |
| | Villa Park | 5,972,743 | 1,136,731 | 165,814 | 14.6% | 1,136,731 | - | 100.0% | 0.0% | - | - | 0.0% | 1,136,731 |
| | Yorba Linda | 60,279,317 | 7,603,840 | 1,260,463 | 16.6% | 7,450,745 | 153,095 | 98.0% | 0.3% | 90,305 | 63,000 | 69.8% | 7,694,145 |
| | County Unincorporated | 195,608,985 | 39,240,580 | 16,982,005 | 43.3% | 39,193,773 | 46,807 | 99.9% | 0.0% | 123,608,504 | 26,697,766 | 21.6% | 162,849,084 |
| 2011-12 | Total | \$ 5,962,173,264 | \$ 691,933,449 | \$ 282,684,114 | 40.9% | \$ 674,822,133 | \$ 17,111,316 | 97.5% | 0.3% | \$ 1,210,032,893 | \$ 627,301,549 | 51.8% | \$ 1,901,966,342 |
| | Aliso Viejo | 306,024,706 | 79,652,774 | 7,801,000 | 9.8% | 79,652,774 | - | 100.0% | 0.0% | 34,747,587 | 12,802,536 | 36.8% | 114,400,361 |
| | Cypress | 209,679,616 | 200,611 | 28,000 | 14.0% | 144,656 | 55,955 | 72.1% | 0.0% | 9,096,151 | 1,542,515 | 17.0% | 9,296,762 |
| | Dana Point | 281,140,460 | 7,646,823 | 5,115,985 | 66.9% | 6,163,512 | 1,483,311 | 80.6% | 0.5% | 15,445,729 | 5,270,885 | 34.1% | 23,092,552 |
| | Irvine | 3,423,425,637 | 528,931,786 | 231,394,720 | 43.7% | 527,395,058 | 1,536,728 | 99.7% | 0.0% | 649,280,417 | 411,744,523 | 63.4% | 1,178,212,203 |
| | La Palma | 6,337,374 | 18,740 | 9,000 | 48.0% | 18,740 | - | 100.0% | 0.0% | 1,099,193 | 96,562 | 8.8% | 1,117,933 |
| | Laguna Hills | 152,727,811 | 3,872,392 | 2,342,417 | 60.5% | 3,830,344 | 42,048 | 98.9% | 0.0% | 21,805,222 | 6,562,160 | 30.1% | 25,677,614 |
| | Laguna Niguel | 130,702,009 | 7,712,732 | 4,577,023 | 59.3% | 7,477,907 | 234,825 | 97.0% | 0.2% | 25,386,890 | 10,363,836 | 40.8% | 33,099,622 |
| | Laguna Woods | 34,006,650 | 1,400,078 | 815,272 | 58.2% | 1,395,572 | 4,506 | 99.7% | 0.0% | 3,948,556 | 2,245,402 | 56.9% | 5,348,634 |
| | Lake Forest | 554,490,212 | 7,522,069 | 3,493,000 | 46.4% | 7,286,920 | 235,149 | 96.9% | 0.0% | 45,756,535 | 21,715,245 | 47.5% | 53,278,604 |
| | Los Alamitos | 136,823,263 | 8,338,370 | 4,641,682 | 55.7% | 8,334,227 | 4,143 | 100.0% | 0.0% | 47,857,484 | 22,226,342 | 46.4% | 56,195,854 |
| | Mission Viejo | 189,010,531 | 18,853,462 | 3,994,621 | 21.2% | 5,434,950 | 13,418,512 | 28.8% | 7.1% | 39,000,411 | 14,595,347 | 37.4% | 57,853,873 |
| | Rancho Santa Margarita | 206,603,665 | 129,948 | 44,100 | 33.9% | 129,948 | - | 100.0% | 0.0% | 65,605,093 | 37,885,996 | 57.7% | 65,735,041 |
| | San Juan Capistrano | 48,992,741 | 327,630 | 217,986 | 66.5% | 253,132 | 74,498 | 77.3% | 0.2% | 12,406,443 | 4,852,958 | 39.1% | 12,734,073 |
| | Villa Park | 5,335,622 | 5,354 | 2,600 | 48.6% | 5,354 | - | 100.0% | 0.0% | 1,357,556 | 121,457 | 8.9% | 1,362,910 |
| | Yorba Linda | 50,991,779 | 2,433,973 | 1,774,946 | 72.9% | 2,412,332 | 21,641 | 99.1% | 0.0% | 8,301,669 | 753,574 | 9.1% | 10,735,642 |
| | County Unincorporated | 225,881,188 | 24,886,707 | 16,431,762 | 66.0% | 24,886,707 | - | 100.0% | 0.0% | 228,937,957 | 74,522,211 | 32.6% | 253,824,664 |



**ORANGE COUNTY FIRE AUTHORITY
2012-13 PROPERTY TAX REVENUE PROJECTIONS**

FY 2008-09 through FY 2012-13 UNSECURED ROLL - ASSESSMENT APPEALS¹

Table 4

ORANGE COUNTY FIRE AUTHORITY

| Year | Jurisdiction | Total City-Wide Assessed Value (less CRA Project Areas) | Appeals Finaled | | | | | | | Appeals Outstanding | | | Total Assessed Value for all Appeals |
|----------------|------------------------|---|--|--|--|--|-------------------------------------|---|---|---|---|---|--------------------------------------|
| | | | Total Assessed Value Under Appeal (Finaled Only) | Total Applicant's Opinion of Value for Parcels Under Appeal ² | Applicant's Opinion Value as a % of Assessed Value | Board Approved Value of Parcels Under Appeal | Amount of Unsecured Value Reduction | Approved Value as a % of Parcels Assessed Value | % of Reduction of Total City-Wide Value | Total Assessed Value of Pending Appeals | Pending Appeals-Applicants Opinion of Value | Applicant's Opinion Value as a % of Roll's Assessed Value | |
| 2012-13 | Total | \$ 5,824,652,317 | \$ 3,620,558 | \$ 1,158,341 | 0.0% | \$ - | \$ 3,620,558 | 0.0% | 0.1% | \$ 1,134,536,237 | \$ 442,230,728 | 39.0% | \$ 1,138,156,795 |
| | Aliso Viejo | 288,468,664 | - | - | 0.0% | - | - | - | 0.0% | 34,599,272 | 12,181,484 | 35.2% | 34,599,272 |
| | Cypress | 234,080,527 | - | - | 0.0% | - | - | - | 0.0% | 39,006,198 | 4,439,142 | 11.4% | 39,006,198 |
| | Dana Point | 216,316,109 | 520,630 | 475,000 | 91.2% | - | 520,630 | - | 0.2% | 31,105,664 | 8,431,304 | 27.1% | 31,626,294 |
| | Irvine | 3,605,339,140 | 720,986 | 563,271 | 78.1% | - | 720,986 | - | 0.0% | 533,126,741 | 234,393,970 | 44.0% | 533,847,727 |
| | La Palma | 5,371,069 | - | - | 0.0% | - | - | - | 0.0% | 1,024,061 | 96,232 | 9.4% | 1,024,061 |
| | Laguna Hills | 137,596,453 | 47,179 | - | 0.0% | - | 47,179 | - | 0.0% | 27,855,789 | 7,930,699 | 28.5% | 27,902,968 |
| | Laguna Niguel | 130,193,996 | - | - | 0.0% | - | - | - | 0.0% | 45,376,083 | 12,211,440 | 26.9% | 45,376,083 |
| | Laguna Woods | 33,093,242 | - | - | 0.0% | - | - | - | 0.0% | 5,573,552 | 1,759,693 | 31.6% | 5,573,552 |
| | Lake Forest | 564,972,628 | 1,133,274 | 120,070 | 10.6% | - | 1,133,274 | - | 0.2% | 143,917,362 | 64,323,793 | 44.7% | 145,050,636 |
| | Los Alamitos | 133,834,340 | 31,680 | - | 0.0% | - | 31,680 | - | 0.0% | 21,077,195 | 9,477,212 | 45.0% | 21,108,875 |
| | Mission Viejo | 93,905,126 | - | - | 0.0% | - | - | - | 0.0% | 61,647,794 | 15,709,919 | 25.5% | 61,647,794 |
| | Rancho Santa Margarita | 238,145,074 | 1,166,809 | - | 0.0% | - | 1,166,809 | - | 0.5% | 48,041,062 | 14,909,506 | 31.0% | 49,207,871 |
| | San Juan Capistrano | 29,582,987 | - | - | 0.0% | - | - | - | 0.0% | 24,540,664 | 6,224,664 | 25.4% | 24,540,664 |
| | Villa Park | 6,749,499 | - | - | 0.0% | - | - | - | 0.0% | 1,098,649 | 106,475 | 9.7% | 1,098,649 |
| | Yorba Linda | 35,732,428 | - | - | 0.0% | - | - | - | 0.0% | 9,706,578 | 2,208,242 | 22.7% | 9,706,578 |
| | County Unincorporated | 71,271,035 | - | - | 0.0% | - | - | - | 0.0% | 106,839,573 | 47,826,953 | 44.8% | 106,839,573 |

¹ Assessment Appeals are net of appeals for properties within CRA project areas.

² Total Applicants Opinion of Value includes only finaled appeals, and are net of the following appeals:

- a) Applicant's opinion of the assessed value is higher than the roll value
- b) The appeals database reports that the parcel being appealed has either an assessed value of \$0 or negative assessed value.

Source: County of Orange Clerk of the Board of Supervisors

**DISCUSSION CALENDAR – AGENDA ITEM NO. 7
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013**

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Review of the 2013/14 Draft Proposed Budget**

Summary:

This item presents the 2013/14 Draft Proposed General Fund and Capital Improvement Program (CIP) Budget for review by the Budget and Finance Committee.

Committee Actions:

The City Managers' Budget and Finance Committee (B&FC) reviewed the 2013/14 Draft Proposed Budget with staff on April 15, 2013. The Committee requested staff to submit some specific additional information (provided on page 20 of the budget overview section of the budget book), and they provided the following formal recommendations for submission to the OCFA Budget and Finance Committee:

1. The City Managers' B&FC recommended that the OCFA B&FC and Board of Directors adopt the 2013/14 Budget, as submitted.
2. The City Managers' B&FC recommended that staff look into ways of mitigating the budget impact of payouts for sick and vacation balances.

The CIP Ad Hoc Committee met on April 10, 2013 to review the Draft Proposed 2013/14 – 2017/18 CIP Budget, and made the following recommendations:

1. Continue to monitor the impacts from new development occurring around Fire Station 9 (Mission Viejo) and evaluate the feasibility of expediting construction of Replacement Fire Station 9, which is currently listed as a deferred CIP project.
2. Approve staff's recommendation to rebudget two CIP projects totaling \$5.2 million, which are part of the larger Public Safety System project, from 2012/13 to 2013/14 (see page 2 of this staff report).

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Adopt the submitted 2013/14 Proposed Budget.
2. Authorize an additional 2012/13 mid-year budget adjustment to decrease appropriations in Fund 124 by \$5,231,152.
3. Direct staff to delete the non-safety position of WEFIT Program Coordinator.
4. Approve and authorize the temporary transfer of funds, currently estimated at \$35 million, from the CIP funds to the General Fund for projected cash flow timing deficits, as well as repayment, with interest, prior to the end of 2013/14.

Background:

Presented herein is the 2013/14 Draft Proposed Budget for your consideration. We are very pleased to report that this draft proposed General Fund budget is balanced for all five years of our forecast. It meets our policy reserve requirements and reflects our efforts to sustain emergency response services and avoid forced front line staffing reductions. However, it does not provide funding for all Capital Improvement Program (CIP) projects, as has been the case for some time, resulting in several proposed CIP projects remaining deferred. Nonetheless, for the first time in several years, we are able to include an operating transfer from the General Fund to the CIP funds to provide funding for essential CIP projects which should not be deferred.

A budget presentation will be provided on May 23, 2013, for the Board of Directors.

Proposed 2012/13 Additional Mid-Year Budget Adjustments

Since the mid-year budget adjustment was approved by the Board in March, additional changes have become necessary as we have obtained new information on the actual timing of CIP projects. The proposed changes are as follows:

- Fund 124 – Communications & Information Systems Replacement Fund – Contracts for two projects, Incident Reporting Application Replacement project (\$2,465,801 expenditure decrease) and Planning & Development Automation – IFP (\$2,765,351 expenditure decrease), which are part of the larger Public Safety Systems project, will not be issued until 2013/14, due to continuing vendor negotiations.

Deletion of Non-Safety WEFIT Program Coordinator

The OCFA previously requested the addition of a non-safety WEFIT Program Coordinator position, to allow a non-safety employee to fill this position which had traditionally been filled by members of the safety ranks (represented by Local 3631). Since this position had traditionally been a safety position, an agreement was obtained with 3631 to allow a non-safety member to hold the position for a limited duration of time. With that limited duration now being completed, this non-safety position classification is no longer needed, and the prior agreement with 3631 calls for deletion of the position at this time.

Interfund Borrowing

Property taxes represent 64% of General Fund revenue and are received primarily in December and April; however, disbursements occur relatively evenly throughout the year which creates a cash flow deficit, due to this timing difference.

OCFA is projecting a temporary cash flow shortfall in the General Fund. The shortfall is expected to occur from September through December 2013, with the maximum amount of shortfall projected to occur in late November to early December 2013, ranging from \$30 million to \$33 million. General Fund cash balances are projected to be replenished when property tax allocations are received at the end of November and in December.

When sufficient funds are subsequently received in the General Fund, these temporary borrowings or cash transfers are repaid to the fund from which they are borrowed, plus interest. Interest will be repaid in Fiscal Year 2013/14 based on the rate the funds would have earned in OCFA's Investment Portfolio. This temporary borrowing process between OCFA funds represents an efficient internal funding mechanism at no additional cost.

Impact to Cities/County:

Impact to Cash Contract Cities: The Proposed Budget results in a 1.44% increase in cash contract cities' base service charges. Total increases vary from city-to-city, based on annual catch-up payments for all cities except for Santa Ana, and the remaining impact of the service reduction in Stanton; therefore, total increases taking these factors into consideration range from 0.22% to 3.03% (for dollar impacts by city, see page 5 of the Revenue Section in the attached Budget Book).

Fiscal Impact:

See attached Draft Proposed Budget.

Staff Contacts for Further Information:

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Stephan Hamilton, Budget Manager

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Attachment:

2013/14 Draft Proposed Budget



ORANGE COUNTY FIRE AUTHORITY

2013/14

DRAFT PROPOSED BUDGET Budget & Finance Committee



**Business Services Department
Treasury & Financial Planning
May 8, 2013**

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DRAFT

PROPOSED

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May 8, 2013

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Budget Summary

Budget Overview

Presented herein is the 2013/14 draft proposed budget for your consideration. We are very pleased to report that this draft proposed General Fund budget is balanced for all five years of our forecast. It meets our policy reserve requirements and reflects our efforts to sustain emergency response services and avoid forced front line staffing reductions. However, it does not provide funding for all Capital Improvement Program (CIP) projects, as has been the case for some time, resulting in several proposed CIP projects remaining deferred. Nonetheless, for the first time in several years, we are able to include an operating transfer from the General Fund to the CIP funds to provide funding for essential CIP projects which should not be deferred.

Property taxes are OCFA's largest source of revenue and represent 64% of our General Fund revenue budget. The current version of our five-year forecast included in this budget document shows updated growth figures from the Rosenow Spevacek Group (RSG, OCFA's property tax consultant) for 2013/14 as well as the four outer years. With the growth estimates showing improvement over last year, we are showing a significantly improved financial picture over last year.

Our budget development process continues to include aggressive cost containment measures taken as part of our commitment to long-term financial stability while continuing to provide outstanding service to our member agencies and customers. These include:

- ***Hiring Freeze*** – A hiring freeze remains in place for positions that do not provide front line service to the public. Each position that becomes vacant is reviewed by Executive Management to determine our ability to reassign and/or reduce workload, enabling us to absorb the vacancy, or whether it will be necessary to fill the position. This budget includes 103 frozen positions.
- ***Services and Supplies*** – All sections were requested to hold their services and supplies (S&S) budget flat. Any requests for increases added to the base budget were reviewed on a case-by-case basis considering the criticality of the need and the risks/consequences of not approving the request.
- ***Prioritization of Five-Year Capital Improvement Plan*** – The five-year CIP was updated and has been reviewed by Executive Management as well as the CIP Ad Hoc Committee of the Board. The Ad Hoc Committee and the Executive Management team scrutinized all projects to ensure they contribute to the OCFA's mission of providing a safe, hazard-free work environment and quality service to our members and citizens. Some projects were found to be essential, yet the timing was viewed as relatively flexible, therefore they were deferred until additional funding becomes available. A list of these projects has been provided on page 8 of the CIP section.

ORANGE COUNTY FIRE AUTHORITY
2013/14 General Fund Draft Proposed Budget Highlights
May 2013

NOTE: Comparison is based on the "Baseline" version of the General Fund Revenue/Expenditure Summary

Revenue
\$8.4 million or a 2.95% increase

Property Taxes **\$5.8M increase**

- Based on 2.99% current secured growth per final RSG study, excluding public utility taxes
- The refund factor is estimated at 1% based on historical trends

Community Redevelopment Agency (CRA) Pass-Thru **\$1.3M increase**

- The increase is based on projections from RSG

Cash Contract Charges **\$1.2M increase**

- Based on an estimated 1.44% increase to cash contract cities' base service charges, plus the annual increases for catch-up payments, for total increases ranging from 0.22% - 3.03%
- The City of Stanton's increase of 0.22% reflects a reduction in staffing due to a change in service configuration that was approved mid-year in 2012/13
- JWA shows a decrease of 8.42% due to a reduced staffing level from seven to six ARFF personnel

Fire Prevention Fees **\$265K increase**

- Based on 2012 Fire Prevention Fee Study
- Reflects the transfer of the HMS Disclosure and CalARP fee programs to the Orange County Health Care Agency (HCA) effective July 1, 2013

Expenditures
\$4.1million or a 1.43% increase

Salaries **\$59K increase**

- *There are no cost of living adjustments scheduled for any employee group*
- Includes adjustments related to the staffing configuration changes for the City of Stanton and John Wayne Airport
- Includes reductions related to the transfer of the Hazardous Materials Disclosure and CalARP programs to the County Health Care Agency effective July 1, 2013

Retirement **\$452K decrease**

- 2013/14 rates are OCERS' final adopted rates with modification to safety employer rates as noted below
- Reflects cost-offset from ongoing employee retirement contributions
- Final 2013/14 safety retirement rates from OCERS reflected a decrease compared to 2012/13, due to the allocation of the OCFA's prior UAAL across a larger payroll base (due to the increased personnel from Santa Ana). However, staff recommends continued use of the 2012/13 safety retirement rate during 2013/14. This action will lessen the impact of the anticipated rate increase that will become effective in 2014/15 due to the reduction of OCERS' assumed rate of return
- Retirement rates based on the Public Employees' Pension Reform Act (PEPRA) are used for vacant positions

Benefits **\$4.5M increase**

- Workers' Comp is budgeted based on the 50% confidence level provided by the actuarial study completed in February 2013. The intent is to increase this budget to the 60% confidence level as required by prior Board direction and policy, in 2014/15
- CalPERS group medical insurance rates for non-firefighter unit staff estimated to increase 10%
- Firefighter group medical insurance per employee per month, according to the Firefighter health Agreement, increases from \$1,466 to \$1,598 in January 2014
- Management dental and vision insurance reflects an increase of 5%

Services and Supplies/Equipment **\$28K decrease**

- Reflects budget reductions related to the transfer of the HMS Disclosure and CalARP programs to the Orange County Health Care Agency (HCA) effective July 1, 2013
- Reflects the addition of supplemental budget requests primarily for increased costs for IT software licensing and maintenance, plan review services which are reimbursed by Santa Ana, and the land lease for the hangar at Fullerton Airport

ORANGE COUNTY FIRE AUTHORITY
2013/14 Pending Issues
May 2013

Deployment Study

- Completion of the deployment study that is currently under way is not anticipated until December 2013, therefore no estimates for potential impacts are included in this budget

CAL FIRE Contract

- Gray Book for 2013/14 will not be received until March 2014

John Wayne Airport (JWA) Contract

- The contract extension for John Wayne Airport does not expire until 2017, however JWA is currently moving forward with a request for proposal process to evaluate other service options. We have budgeted for a full year of service, pending additional action.

US&R Grants

- No estimate has been included for the new grant nor unspent funds of the current grant

Property Tax Administration Charge from County

- Current year charge scheduled for mid-to-late April



**ORANGE COUNTY FIRE AUTHORITY
COMBINED BUDGET SUMMARY
2013/14**

| | 121 General Fund | 122 Facilities Maintenance & Improvement | 123 Facilities Replacement |
|--|---------------------------------|---|---|
| FUNDING SOURCES | | | |
| Property Taxes | \$186,998,721 | | |
| Intergovernmental | 11,443,286 | | |
| Charges for Current Services | 94,325,831 | 216,178 | |
| Use of Money & Property | 221,379 | 10,238 | 50,111 |
| Other | 832,000 | | 4,056,050 |
| Total Revenue & Other Financing Sources | 293,821,217 | 226,416 | 4,106,161 |
| Operating Transfer In | - | 1,078,745 | - |
| Beginning Fund Balance | 48,092,190 | 2,292,417 | 14,021,716 |
| TOTAL AVAILABLE RESOURCES | \$341,913,407 | \$3,597,578 | \$18,127,877 |
| EXPENDITURES | | | |
| Salaries & Employee Benefits | \$266,528,679 | | |
| Services & Supplies | 22,431,181 | 1,247,614 | |
| Capital Outlay | | | 5,250,000 |
| Debt Service | | | |
| Total Expenditures & Other Uses | 288,959,860 | 1,247,614 | 5,250,000 |
| Appropriation for Contingencies | 3,000,000 | - | - |
| Operating Transfer Out | 4,497,847 | - | - |
| Ending Fund Balance | 45,455,700 | 2,349,964 | 12,877,877 |
| TOTAL FUND COMMITMENTS & FUND BALANCE | \$341,913,407 | \$3,597,578 | \$18,127,877 |

| 124 Comm & Info Systems Replacement | 133 Vehicle Replacement | 171 SFF Entitlement | 190 Self- Insurance | Total |
|--|--|------------------------------------|------------------------------------|----------------------|
| | | | | \$186,998,721 |
| 920,000 | | | | 12,363,286 |
| | 1,355,244 | | | 95,897,253 |
| 50,445 | 119,439 | 296 | 255,764 | 707,672 |
| | 643,106 | | 12,763,412 | 18,294,568 |
| 970,445 | 2,117,789 | 296 | 13,019,176 | 314,261,500 |
| 2,234,129 | 1,184,973 | - | - | 4,497,847 |
| 14,296,426 | 24,942,643 | 69,938 | 49,843,090 | 153,558,420 |
| \$17,501,000 | \$28,245,405 | \$70,234 | \$62,862,266 | \$472,317,767 |
| | | | | \$266,528,679 |
| 1,539,065 | 86,958 | | 9,856,181 | 35,160,999 |
| 9,143,152 | 5,158,711 | | | 19,551,863 |
| | 2,531,723 | | | 2,531,723 |
| 10,682,217 | 7,777,392 | - | 9,856,181 | 323,773,264 |
| - | - | - | - | 3,000,000 |
| - | - | - | - | 4,497,847 |
| 6,818,783 | 20,468,013 | 70,234 | 53,006,085 | 141,046,656 |
| \$17,501,000 | \$28,245,405 | \$70,234 | \$62,862,266 | \$472,317,767 |

ORANGE COUNTY FIRE AUTHORITY
FUND 121 - GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY
2013/14 BUDGET

| | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|--|-------------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| FUNDING SOURCES | | | | |
| Property Taxes | \$181,204,709 | \$186,998,721 | \$5,794,012 | 3.20% |
| Intergovernmental | 27,088,491 | 11,443,286 | (15,645,205) | -57.76% |
| Charges for Current Services | 92,831,219 | 94,325,831 | 1,494,612 | 1.61% |
| Use of Money & Property | 188,658 | 221,379 | 32,721 | 17.34% |
| Other | 4,623,391 | 832,000 | (3,791,391) | -82.00% |
| Total Revenues & Other Financing Sources | 305,936,468 | 293,821,217 | (12,115,251) | -3.96% |
| Operating Transfer In | - | - | - | - |
| Beginning Fund Balance | 48,574,096 | 48,092,190 | (481,906) | -0.99% |
| TOTAL AVAILABLE RESOURCES | \$354,510,564 | \$341,913,407 | (\$12,597,157) | -3.55% |
| EXPENDITURES | | | | |
| Salaries & Employee Benefits | \$266,198,050 | \$266,528,679 | \$330,629 | 0.12% |
| Services & Supplies | 24,514,308 | 22,431,181 | (2,083,127) | -8.50% |
| Capital Outlay | 80,000 | - | (80,000) | -100.00% |
| Total Expenditures & Other Uses | 290,792,358 | 288,959,860 | (1,832,498) | -0.63% |
| Operating Transfer Out | 15,626,016 | 4,497,847 | (11,128,169) | -71.22% |
| Appropriation for Contingencies (1) | 3,000,000 | 3,000,000 | - | 0.00% |
| Ending Fund Balance | 45,092,190 | 45,455,700 | 363,510 | 0.81% |
| TOTAL FUND COMMITMENTS & FUND BALANCE | \$354,510,564 | \$341,913,407 | (\$12,597,157) | -3.55% |

(1) Requires Board approval to spend

ORANGE COUNTY FIRE AU
FUND 121 - GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY BASELINE COMPARISON
2013/14 BUDGET

Purpose: Both years include extraordinary, one-time and grant-funded activities. For this schedule, these activities were removed to give a better baseline comparison.

| | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|--|-------------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| FUNDING SOURCES | | | | |
| Property Taxes | \$181,204,709 | \$186,998,721 | \$5,794,012 | 3.20% |
| Intergovernmental | 10,183,005 | 11,443,286 | 1,260,281 | 12.38% |
| Charges for Current Services | 92,831,219 | 94,325,831 | 1,494,612 | 1.61% |
| Use of Money & Property | 188,658 | 221,379 | 32,721 | 17.34% |
| Other | 1,002,819 | 832,000 | (170,819) | -17.03% |
| Subtotal Revenue | 285,410,410 | 293,821,217 | 8,410,807 | 2.95% |
| Extraordinary/Grant Revenue | 20,526,058 | - | (20,526,058) | -100.00% |
| Total Revenue | 305,936,468 | 293,821,217 | (12,115,251) | -3.96% |
| Operating Transfer In | - | - | - | - |
| Beginning Fund Balance | 48,574,096 | 48,092,190 | (481,906) | -0.99% |
| TOTAL AVAILABLE RESOURCES | \$354,510,564 | \$341,913,407 | (\$12,597,157) | -3.55% |
| EXPENDITURES | | | | |
| Salaries & Employee Benefits | \$262,439,728 | \$266,528,679 | \$4,088,951 | 1.56% |
| Services & Supplies | 22,266,244 | 22,238,415 | (27,829) | -0.12% |
| Capital Outlay | - | - | - | n/a |
| Subtotal Expenditures | 284,705,972 | 288,767,094 | 4,061,122 | 1.43% |
| Extraordinary/Grant Expenditures | 6,086,386 | 192,766 | (5,893,620) | -96.83% |
| Total Expenditures | 290,792,358 | 288,959,860 | (1,832,498) | -0.63% |
| Operating Transfer Out | 15,626,016 | 4,497,847 | (11,128,169) | -71.22% |
| Appropriation for Contingencies (1) | 3,000,000 | 3,000,000 | - | 0.00% |
| Ending Fund Balance | 45,092,190 | 45,455,700 | 363,510 | 0.81% |
| TOTAL FUND COMMITMENTS & FUND BALANCE | \$354,510,564 | \$341,913,407 | (\$12,597,157) | -3.55% |

(1) Requires Board approval to spend

DRAFT PROPOSED FY 2013/14 BUDGET

| | PROJECTED 2012/13 | PROPOSED 2013/14 | PROJECTED 2014/15 | PROJECTED 2015/16 | PROJECTED 2016/17 | PROJECTED 2017/18 |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| A. BEGINNING FUND BALANCE | 157,498,177 | 153,558,420 | 144,046,656 | 143,339,848 | 146,154,380 | 150,734,070 |
| GENERAL FUND REVENUES | | | | | | |
| Secured Property Tax | 169,249,914 | 174,852,059 | 180,134,515 | 187,663,597 | 195,859,054 | 203,987,792 |
| Public Utility Tax | 1,880,323 | 1,880,715 | 1,880,715 | 1,880,715 | 1,880,715 | 1,880,715 |
| Unsecured Property Tax | 6,527,253 | 6,740,215 | 6,740,215 | 6,740,215 | 6,740,215 | 6,740,215 |
| Homeowners Property Tax Relief | 1,432,458 | 1,410,971 | 1,410,971 | 1,410,971 | 1,410,971 | 1,410,971 |
| Supplemental/Delinquencies | <u>2,114,761</u> | <u>2,114,761</u> | <u>2,114,761</u> | <u>2,114,761</u> | <u>2,114,761</u> | <u>2,114,761</u> |
| Property Taxes | 181,204,709 | 186,998,721 | 192,281,177 | 199,810,259 | 208,005,716 | 216,134,454 |
| State Reimbursements | 4,193,788 | 4,193,788 | 4,193,788 | 4,193,788 | 4,193,788 | 4,193,788 |
| Federal Reimbursements | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| One-Time Grant/ABH/RDA | 20,526,058 | | | | | |
| Community Redevelopment Agency Pass-thru | 5,889,217 | 7,149,498 | 7,326,880 | 7,511,172 | 7,706,470 | 8,248,676 |
| Cash Contracts | 82,751,043 | 83,980,236 | 87,823,469 | 90,256,811 | 92,693,341 | 94,731,917 |
| Haz Mat Services | 243,466 | 0 | 0 | 0 | 0 | 0 |
| Fire Prevention Fee | 5,099,552 | 5,608,437 | 5,776,690 | 5,949,991 | 6,128,491 | 6,312,345 |
| Advanced Life Support Supplies & Transport Reimbursement | 4,570,574 | 4,570,574 | 4,570,574 | 4,570,574 | 4,570,574 | 4,570,574 |
| Interest Earnings | 188,658 | 221,379 | 578,218 | 761,481 | 765,738 | 765,738 |
| Other Revenue | 1,169,403 | 998,584 | 829,499 | 829,499 | 829,499 | 829,499 |
| TOTAL REVENUES | 305,936,468 | 293,821,217 | 303,480,295 | 313,983,574 | 324,993,617 | 335,886,991 |
| Average Annual Change = 1.89% | | | | | | |
| GENERAL FUND EXPENDITURES | | | | | | |
| New Positions for New Stations/Enhancements | | | 1,091,834 | 2,201,862 | 2,231,538 | 4,489,004 |
| Employee Salaries | 166,978,601 | 167,037,200 | 166,158,581 | 166,158,581 | 166,158,581 | 166,158,581 |
| Retirement | 62,936,480 | 62,484,495 | 70,090,758 | 73,211,606 | 74,016,834 | 73,679,933 |
| Workers' Comp Transfer out to Self-Ins. Fund | 9,892,711 | 12,763,412 | 13,664,036 | 13,942,894 | 14,442,894 | 14,876,181 |
| Other Insurance | 20,495,682 | 22,040,779 | 23,643,213 | 25,802,706 | 28,170,234 | 30,761,896 |
| Medicare | 2,136,254 | <u>2,202,293</u> | <u>2,409,299</u> | <u>2,409,299</u> | <u>2,409,299</u> | <u>2,409,299</u> |
| One-Time Grant/ABH Expenditures | <u>3,758,322</u> | | | | | |
| Salaries & Employee Benefits | 266,198,050 | 266,528,679 | 277,057,722 | 283,726,948 | 287,429,381 | 292,374,894 |
| Services & Supplies/Equipment | 22,266,244 | 22,431,181 | 23,565,686 | 23,565,686 | 23,565,686 | 23,565,686 |
| New Station/Enhancements S&S Impacts | | | 50,653 | 104,345 | 107,475 | 221,399 |
| One-Time Grant Expenditures | 2,248,064 | | | | | |
| Capital Outlay | 80,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 290,792,358 | 288,959,860 | 300,674,060 | 307,396,979 | 310,995,067 | 316,161,979 |
| Average Annual Change = 1.69% | | | | | | |
| NET GENERAL FUND REVENUE | 15,144,110 | 4,861,357 | 2,806,234 | 6,586,595 | 13,998,550 | 19,725,012 |
| B. Incremental Increase in GF 10% Contingency | 3,086,698 | 363,510 | 1,171,420 | 672,292 | 359,809 | 516,691 |
| GENERAL FUND SURPLUS / (DEFICIT) | 12,057,412 | 4,497,847 | 1,634,814 | 5,914,303 | 13,638,741 | 19,208,321 |
| C. GF Surplus/Deficit = Operating Transfers to/from GF Cashflow | 12,057,412 | | | | | |
| GF Surplus = Operating Transfers Out to CIP | | 4,497,847 | 1,634,814 | 5,914,303 | 13,638,741 | 19,208,321 |
| Capital Improvement Program/Other Fund Revenues | | | | | | |
| Interest Earnings | 337,279 | 486,293 | 956,639 | 1,448,045 | 2,014,478 | 1,824,359 |
| State/Federal Reimbursement | 960,000 | 920,000 | | | | |
| Cash Contracts | 1,611,404 | 1,571,422 | 1,665,900 | 1,707,777 | 1,750,910 | 1,795,337 |
| Developer Contributions | 40,560 | 4,699,156 | | | | |
| Workers' Comp Transfer in from GF | 9,892,711 | 12,763,412 | 13,664,036 | 13,942,894 | 14,442,894 | 14,876,181 |
| Miscellaneous | 326,436 | | | | | |
| Operating Transfers In | 0 | 4,497,847 | 1,634,814 | 5,914,303 | 13,638,741 | 19,208,321 |
| Total CIP/Workers' Comp Revenues | 13,168,390 | 24,938,130 | 17,921,389 | 23,013,019 | 31,847,023 | 37,704,198 |
| Capital Improvement Program/Other Fund Expenses | | | | | | |
| Fund 122 - Facilities Maintenance & Improvements | 1,246,449 | 1,247,614 | 1,274,498 | 1,302,122 | 1,330,505 | 1,359,669 |
| Fund 123 - Facilities Replacement | 2,270,763 | 5,250,000 | 0 | 0 | 0 | 0 |
| Fund 124 - Communications & Info Systems Replace. | 8,293,313 | 10,682,217 | 2,081,964 | 1,691,819 | 5,135,936 | 5,583,434 |
| Fund 133 - Vehicle Replacement | 9,565,449 | 7,777,392 | 6,120,661 | 7,109,038 | 9,851,434 | 5,914,201 |
| Sub-Total CIP Expenses | 21,375,974 | 24,957,223 | 9,477,123 | 10,102,979 | 16,317,875 | 12,857,304 |
| Fund 171 - SFF Entitlement | 1,307,048 | 0 | 70,234 | 0 | 0 | 0 |
| Fund 190 - WC Self-Ins (Cashflow Payments per Actuary) | 9,569,235 | 9,856,181 | 10,252,260 | 10,767,801 | 11,309,266 | 11,877,959 |
| Total CIP/Other Expenses | 32,252,257 | 34,813,404 | 19,799,617 | 20,870,780 | 27,627,141 | 24,735,263 |
| D. CIP SURPLUS/(DEFICIT) | (19,083,867) | (9,875,274) | (1,878,228) | 2,142,239 | 4,219,882 | 12,968,934 |
| ENDING FUND BALANCE (A+B+C+D) | 153,558,420 | 144,046,656 | 143,339,848 | 146,154,380 | 150,734,070 | 164,219,695 |
| Fund Balances | | | | | | |
| Operating Contingency (10% of Expenditures) | 28,530,226 | 28,893,736 | 30,067,406 | 30,739,698 | 31,099,507 | 31,616,198 |
| General Fund Cashflow (OCERS Pre-Pay) | 18,626,094 | 18,626,094 | 18,626,094 | 18,626,094 | 18,626,094 | 18,626,094 |
| Fire Prevention - General fund | 935,870 | 935,870 | 935,870 | 935,870 | 935,870 | 935,870 |
| Donations & Developer Contributions | 1,727,182 | 533,232 | 533,232 | 533,232 | 533,232 | 533,232 |
| Fund 171 - Structural Fire Fund Entitlement | 69,938 | 70,234 | 0 | 0 | 0 | 0 |
| Capital Improvement Program | 50,188,405 | 41,095,330 | 35,873,310 | 34,840,457 | 35,926,711 | 45,897,423 |
| Fire Prevention Fee-Funded Capital Needs | 3,637,615 | 886,075 | 886,075 | 886,075 | 886,075 | 886,075 |
| Fund 190 - WC Self-Insurance | 49,843,090 | 53,006,085 | 56,417,861 | 59,592,954 | 62,726,582 | 65,724,803 |
| Total Fund Balances | 153,558,420 | 144,046,656 | 143,339,848 | 146,154,380 | 150,734,070 | 164,219,695 |

Forecast Assumptions – FY 2013/14 Budget

Basic Assumptions:

The first year of the forecast is based on the 2012/13 adopted budget with all approved mid-year adjustments. The second year is based on the 2013/14 draft proposed budget. CIP expenditures for the final four years are based on the CIP Five-Year Plan included in the draft proposed budget.

General Fund Revenues:

- **Secured Property Taxes** – RSG’s Final 2013 Report provides the growth factor for the five years in this forecast. The following data show these projections of current secured property tax growth:

| | |
|---------|-------|
| 2013/14 | 2.99% |
| 2014/15 | 3.02% |
| 2015/16 | 4.18% |
| 2016/17 | 4.37% |
| 2017/18 | 4.15% |

- **Public Utility, Unsecured, Homeowners Property Tax Relief, Supplemental/Delinquent Taxes** – All of these categories of property taxes are expected to remain constant during the forecast period.
- **State & Federal Reimbursements** – Expected to remain constant through 2017/18.
- **Community Redevelopment Agency Pass-thru Revenue** – RSG recently completed an RDA Excess Revenue analysis of pass-thru, residual, and one-time revenues from the dissolution of the redevelopment agencies. The forecast figures come from that report.
- **Cash Contracts** –The forecast calculations are based on the First Amendment to the Amended Joint Powers Agreement and year-over-year changes vary between 2.0% and 3.8% with a 4.5% cap. In addition, this revenue category includes projected John Wayne Airport contract proceeds with a 4.0% annual increase cap, which is projected to continue through the forecast period. Finally, these forecasts have been adjusted for the staffing changes in Stanton and at the Airport approved by the Board.
- **Fire Prevention and Hazardous Materials Services Fees** – Fire Prevention fees are estimated to grow by 3% per year starting in 2013/14 based on anticipated activity and recently approved fee adjustments. The Haz Mat services fees are eliminated in 2013/14 as the HazMat and CalARP programs will be transferred to the County effective July 1, 2013.
- **ALS Supplies & Transport Reimbursements** – This revenue is estimated to remain flat.

- **Interest Earnings** – Assumes an annual return of 0.50% for 2013/14, 1.00% for 2014/15, 1.50% for 2015/16, and 2.00% for 2016/17 and 2017/18.
- **Other Revenue** – This revenue source includes various reimbursements for training and cost recovery from the Handcrew in 2013/14.

General Fund Expenditures:

- **Salaries & Employee Benefits** – S&EB is composed of the following factors:
 - ✓ **New Positions for New Stations** – Fire Station #56 in the Ortega Valley is anticipated to open on 1/1/15 and one of the new Rancho Mission Viejo stations is expected to open on 7/1/17.
 - ✓ **Employee Salaries** – 2013/14 salaries reflect the extended MOUs. The forecast does not contain estimated increases based on the new “Trigger Formula”, which is already effective for OCPFA and OCEA, and which becomes effective for COA and Exec. Mgmt. in 2013/14. In addition, salary increases are not projected for the years that follow expiration of current MOUs (i.e. 2015/16 through 2017/18).
 - ✓ **Retirement** – Retirement costs reflecting the projected retirement rates (shown below) are based on the 11/11/11 Segal report (Scenario #1 – years 2012/13 through 2014/15), the 2/8/13 Segal report (Scenario #2 – years 2015/16 through 2017/18) and adjusted for changes in employee contributions.

| | <u>Safety</u> | <u>Non-Safety</u> | |
|---------|---------------|-------------------|-----------|
| 2012/13 | 53.17% | 32.65% | |
| 2013/14 | 54.46% | 36.36% | projected |
| 2014/15 | 56.06% | 38.36% | projected |
| 2015/16 | 56.4% | 37.3% | projected |
| 2016/17 | 57.1% | 37.7% | projected |
| 2017/18 | 56.8% | 37.6% | projected |

- ✓ **Workers’ Compensation** – 2013/14 continues the “stair-step” up to the 60% confidence level for on-going Workers’ Compensation costs as set by the Board of Directors. The 60% confidence level will be achieved in 2014/15 and maintained thereafter.
- ✓ **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 for the last three years. This category also includes \$40,000 for unemployment insurance.
- ✓ **Medicare** – Annual amounts are based on salaries.
- **Services & Supplies** – S&S is held flat unless a new fire station is built or specific increases have been identified by section managers.

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 grant 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 General Fund Cash Flow (OCERS Pre-Pay) or to the CIP funds. In years when there is a deficit, the deficit amount must be drawn from the Cash Flow, then 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 0.50% for 2013/14, 1.00% for 2014/15, 1.50% for 2015/16, and 2.00% for 2016/17 and 2017/18.
- *State/Federal Reimbursement* – After the \$920,000 ECC 911 telephone system upgrade project reimbursement is received in 2013/14 we anticipate no further reimbursements.
- *Cash Contracts* –The forecast calculations are based on the First Amendment to the Amended Joint Powers Agreement.
- *Developer Contributions* – In 2013/14 Fire Station #56 construction and apparatus will be funded by the developer.
- *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 (Fund 171)* – Remaining funds will be expended through the forecast period.
- *Self-Insurance Fund (Fund 190)* – 2013/14 through 2015/16 are based on the Rivelle Consulting Services projected payments. 2016/17 and 2017/18 assume the same average year-over-year increase included in the January 2013 Rivelle study.

Fund Balances:

- *Operating Contingency* – Reflects policy of 10% of the General Fund expenditures each year (less one-time grant expenditures). General Fund deficits are deducted from this category of fund

balance once the Cash Flow fund balance is exhausted. The contingency also includes the \$3 million identified as “Appropriation for Contingencies”.

- **Cash Flow** – \$18.6 million identified as General Fund Cash Flow fund balance for 2012/13, reduced by any General Fund deficits.

Assigned Fund Balances

- ***Self-Insurance Fund (Fund 190)*** – Funding is set aside for Workers’ Compensation claims. The amount is based on the prior year Workers’ Compensation fund balance adjusted annually by the difference between the Workers’ Compensation Transfer and the 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
Salaries & Employee Benefits Assumptions
May 2013

Salaries

Vacant Positions

- Vacant positions which have not been frozen are budgeted as follows:
 - ✓ Firefighter - step 1
 - ✓ Fire Apparatus Engineer – step 10
 - ✓ Captain - step 10
 - ✓ Staff positions - step 5 for entry level positions, and step 10 for positions with promotional opportunities within the same occupational class series

- The following 103 positions are not funded in the proposed 2013/14 budget:
 - ✓ 3 Sr. Fire Prevention Specialists (P&D/Inspection)
 - ✓ 2 Fire Prevention Specialists (P&D/S&ES)
 - ✓ 4 Fire Prevention Analysts (P&D)
 - ✓ 1 Assistant Fire Marshal (P&D)
 - ✓ 3 Office Services Specialists (P&D/S&ES)
 - ✓ 1 Fire Safety Engineer (S&ES)
 - ✓ 2 Senior Accountants (Finance/Treasury and Financial Planning)
 - ✓ 1 Accountant (Finance)
 - ✓ 1 Fire Equipment Technician (Service Center)
 - ✓ 1 Assistant Purchasing Agent (Purchasing)
 - ✓ 1 Information Technology Supervisor (IT)
 - ✓ 1 Management Analyst (Property Management)
 - ✓ 1 Management Assistant (P&D)
 - ✓ 5 Administrative Assistants (Fire Prevention/Property Management/Operations)
 - ✓ 1 Benefits Services Manager
 - ✓ 1 Senior Human Resources Analyst (Human Resources)
 - ✓ 1 Human Resources Analyst (Human Resources)
 - ✓ 1 Organizational Training and Development Program Manager (Human Resources)
 - ✓ 2 Battalion Chiefs -Staff positions
 - ✓ 1 Heavy Fire Equipment Operator
 - ✓ 18 Firefighters (includes T20, M20, Wildland engines)*
 - ✓ 24 Fire Apparatus Engineers (includes T20)*
 - ✓ 27 Fire Captains (includes T20, Admin. Captains)*
 - 21 of the frozen Firefighter Unit positions (see * above) were authorized but never filled
 - 30 of the frozen Firefighter Unit positions (see * above) are backfilled

Salary Savings

- Includes \$957,974 for 2013/14, based on 2012/13 estimates

MOU Merit Increases – Firefighter Unit and OCEA

- 2 ½ steps or 6.875% up to step 12

MOU Changes

- Orange County Employees Association (OCEA)
 - ✓ No cost-of-living adjustments included
 - ✓ New employees on or after 1/1/2013 under 2.7% @ 67 retirement plan with 9% employee contribution
- Fire Management and Executive Management
 - ✓ No cost-of-living adjustments included
 - ✓ New employees on or after 1/1/2013 under 2.7% @ 57 retirement plan with 8.25% employee contribution
- Firefighter Unit
 - ✓ No cost-of-living adjustments included
 - ✓ New employees on or after 1/1/2013 under 2.7% @ 57 retirement plan with 9% employee contribution
- Administrative Management
 - ✓ No cost-of-living adjustments included
 - ✓ New employees on or after 1/1/2013 under 2.7% @ 67 retirement plan with 8.25% employee contribution

Backfill/Holiday/FLSA Adjustment

- Backfill is estimated at \$30,983,283 for 2013/14
- Includes funding for 15 Fire Captain and 15 Fire Apparatus Engineer frozen positions
- Also includes funding for the following constant-staffed positions:
 - ✓ 4th Firefighter position on one engine (E34) (pre-OCFA)
 - ✓ 4th Firefighter position on two trucks (T43 and T64) (October 2007)
 - ✓ Helicopter Crew Chief (Fire Captain) (July 2009)
- Estimate is allocated to divisions/sections based on historical ratios
- Holiday pay and FLSA (10 hours) adjustment are budgeted by employee

Reserve Firefighters

- Based on 2012/13 projected usage

Other Pay

- The following Other Pays were calculated by employee:
Supplemental Assignment Pay, Education Incentive Pay, Emergency Medical Technician (EMT) Bonus, Fire Safety Specialist Specialty Assignment Pay, and Duty Officer Compensation
- The following Other Pays were based on historical costs:
Aircraft Rescue Fire Fighting Pay (ARFF), Hazardous Materials Pay, Paramedic Bonus Pay, Urban Search and Rescue (USAR) Pay, On-Call Pay, Emergency Medical Dispatch Pay, ECC Move-Up Supervisor Pay, FAE/PM Incentive Pay, and Bilingual Pay

Vacation/Sick Payoff

- Based on projected trends
- Vacation/Sick Payoff is estimated at \$3,057,219 for 2013/14
- Allocated to divisions/sections based on historical ratios

Benefits

Retirement

| | <u>Hire Dates</u> | <u>2013/14</u> | <u>Plan</u> |
|-------------------------|----------------------|----------------|-------------|
| General (OCEA) | prior to 7/1/2011 | 34.96% | 2.7% @ 55 |
| General (OCEA) | on or after 7/1/2011 | 35.21% | 2 % @ 55 |
| General (OCEA) | on or after 1/1/2013 | 26.63% | 2.5% @ 67 |
| FF Unit | prior to 1/1/2011 | 52.70% | 3% @ 50 |
| FF Unit | on or after 1/1/2011 | 52.10% | 3% @ 50 |
| FF Unit | on or after 7/1/2012 | 47.73% | 3% @ 55 |
| FF Unit | on or after 1/1/2013 | 40.42% | 2.7% @ 57 |
| Management (safety) | prior to 1/1/2011 | 48.57% | 3% @ 50 |
| Management (safety) | on or after 1/1/2011 | 52.51% | 3% @ 50 |
| Management (safety) | on or after 1/1/2013 | 41.17% | 2.7%% @ 57 |
| Management (non-safety) | prior to 1/1/2013 | 35.61% | 2.7% @ 55 |
| Management (non-safety) | on or after 1/1/2013 | 27.38% | 2.7% @ 67 |
| Supported Employment | prior to 1/1/2013 | 38.08% | 2.7% @ 55 |

- The above retirement rates are net of employee contributions
- Total retirement costs are net of savings related to the prepayment to OCERS of \$1,981,212 in 2013/14

Group Medical

- Firefighter Unit – based on FF Health Plan Agreement rates of \$1,466 per month effective 1/1/2013 and \$1,598 per month effective 1/1/2014, the aggregate average monthly amount per actively employed enrollee member of the Firefighter Bargaining Unit is \$1,543
- Non-Firefighter Units – estimate 10% increase in CalPERS rates effective January 2014

Health & Welfare

- OCEA - \$52.20 per month per position – no change from prior year
- Firefighter Unit – based on the FF Health Plan Agreement, the Health and Welfare will no longer be separately calculated but included as part of the Firefighter Unit Group Medical rate

Management Insurance

- Includes Management Optional Benefits – no change
- There have been no changes to Life, AD&D and Disability Insurance rates
- Dental and Vision rates are estimated to increase by 5% for 2013/14

Workers' Compensation

- 2013/14 of \$12,763,412 is the projected expenditures at the 50% confidence level based on the actuarial report dated 1/16/2013
- Third Party Administrator (TPA) and excess insurance costs included in Services and Supplies

Unemployment Insurance

- Budgeted at \$40,000 for 2013/14 based on projected experience factor

Medicare

- 1.45% of salary for employees hired after April 1, 1986
- Calculated effective rates are applied to Backfill/Overtime, Other Pays, Vacation/Sick Payoffs, and Salary Savings

Capital Improvement Program (CIP) Ad Hoc Committee Recommendations

The CIP Ad Hoc Committee met on April 10, 2013 to review the Draft Proposed 2013/14 – 2017/18 CIP Budget. They made the following formal recommendations:

1. Continue to monitor the impacts from new development occurring around Fire Station 9 (Mission Viejo) and evaluate the feasibility of expediting construction of Replacement Fire Station 9, which is currently listed as a deferred CIP project.
2. Approve staff recommendation to rebudget the following projects from 2012/13 to 2013/14 in Fund 124 – Communications & Information Systems Replacement:
 - Incident Reporting Application Replacement - \$2,465,801
 - Planning & Development Automation – IFP - \$2,765,351

City Managers' Budget and Finance Committee Recommendations

The City Managers' Budget and Finance Committee (B&FC) met on April 15, 2013 to review the Draft Proposed 2013/14 Budget, including the CIP Budget. They made the following formal recommendations and requests for additional information:

Formal Recommendations

1. The City Managers' B&FC recommends that the OCFA B&FC and Board of Directors adopt the 2013/14 Budget, as submitted.
2. Look into ways of mitigating the budget impact of payouts for sick and vacation balances.

Additional Information Requested

1. For medical insurance costs, provide the breakdown of employer vs. employee share, by labor group.
 - Firefighter Unit – A flat amount per employee (\$17,592 for 2013) is provided to the Orange County Professional Firefighters Association (OCPFA) according to a separate Firefighter Medical Trust Agreement. Following the close of each calendar year, the Trust fund balance is audited, with any excess fund balance returned to OCFA, as defined within the Trust Agreement. Excess fund balance returned to OCFA for 2011 totaled \$1,787,068. The OCPFA then administers the program with the following breakdown:
 - i. Employee Only – 100% covered
 - ii. Employee +1 – 78% or 82% OCPFA and 18% or 22% Employee, depending on plan chosen
 - iii. Employee + Family – 78% or 81% OCPFA and 19% or 22% Employee, depending on plan chosen
 - Chief Officers' Association – Each full-time employee shall receive 100% of the employee's premium or 75% of the total premium, whichever is greater. Any unpaid balance is the responsibility of the employee.
 - Orange County Employees' Association – Each full-time employee shall receive 100% of the employee's premium or 75% of the total premium, whichever is greater. Any unpaid balance is the responsibility of the employee.
 - Unrepresented Management – Each full-time employee receives an annual allotment (\$17,799 for 2013), increased each year by the average increase in all but the highest premium for the CalPERS health plans. Any unpaid balance is the responsibility of the employee.
2. What is the dollar value of vacation payouts for employees who are at the maximum vacation accrual limit?
 - The average for the last three calendar years is \$1,991,003
3. What is the amount of OCFA's Unfunded Actuarial Accrued Liability (UAAL) with OCERS?
 - As of the 2011 valuation by OCERS, the amount is \$365.5 million



Revenue

ORANGE COUNTY FIRE AUTHORITY
2013/14 Revenue Assumptions
May 2013

Property Taxes

Current Secured

- Based on growth in current secured property of 2.99% for 2013/14 per RSG's final study
- Based on 2012/13 tax ledger and estimated 1.00% refund factor
- Public utility taxes are based on 2012/13 projections

Current Unsecured

- Based on 0% growth factor as provided by RSG
- Based on 2012/13 tax ledger and estimated 7.77% refund factor

Supplemental

- Based on the 2012/13 projection

Homeowner Property Tax Relief

- Homeowner property tax relief based on 2012/13 revenue and a 1.5% reduction for 2013/14, which reflects historical trends

Intergovernmental

State Responsibility Area (SRA) – Wildlands CAL FIRE Contract

- Based on the 2012/13 contract amount per the Gray Book (CAL FIRE's notice of allocation to the contract counties)

Assistance by Hire – State

- Estimates based on historical trends, excluding extraordinary activity

Assistance by Hire – Federal

- Estimates based on historical trends, excluding extraordinary activity

Community Redevelopment Agency (CRA) Pass-thru

- Based on 2013/14 projections from RSG
- The projections reflect additional revenue due to the elimination of the Redevelopment Agencies, but exclude the \$10.6 million in one-time revenue received in 2012/13 related to the state audit of Low-to-Moderate Income Housing Funds and Non-Housing Funds

Charges for Current Services

Cash Contract Cities

- Based on estimated budget increases of 1.44% in 2013/14
- Based on the 20-year JPA agreement which includes the shortfall amortization
- San Clemente includes ambulance service costs based on the 2012/13 projection

John Wayne Airport Contract

- Based on the 2013/14 estimated charge, which includes a staffing reduction to six personnel from seven personnel daily as approved November 2012, resulting in a 8.4% decrease compared to 2012/13

Hazardous Materials Section

- Approved by the Board in February 2013, the HMS Disclosure and the CalARP fee programs will be transferred to the Orange County Health Care Agency (HCA) effective July 1, 2013

Fire Prevention Fees

- Fee increases based on 2012 Fire Prevention Fee Study

Advance Life Support (ALS) Transport and Supplies Reimbursements

- Based on 2012/13 budget

Use of Money and Property

Interest

- Assumes interest rate of 0.50%

Other Revenue

Miscellaneous Revenue

- No contributions from the Orange County Professional Firefighters Association (OCPFA) Medical Trust are anticipated

ORANGE COUNTY FIRE AUTHORITY
FUND 121 - GENERAL FUND
REVENUE SUMMARY
2013/14 BUDGET

| DESCRIPTION | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|---------------------------|--|--|--|---|
| PROPERTY TAXES | \$181,204,709 | \$186,998,721 | \$5,794,012 | 3.20% |
| INTERGOVERNMENTAL | 27,088,491 | 11,443,286 | (15,645,205) | -57.76% |
| CHARGES FOR CURRENT SVCS | 92,831,219 | 94,325,831 | 1,494,612 | 1.61% |
| USE OF MONEY AND PROPERTY | 188,658 | 221,379 | 32,721 | 17.34% |
| OTHER | 4,623,391 | 832,000 | (3,791,391) | -82.00% |
| TOTAL REVENUE | \$305,936,468 | \$293,821,217 | (\$12,115,251) | -3.96% |

ORANGE COUNTY FIRE AUTHORITY
FUND 121 - GENERAL FUND
REVENUE DETAIL
2013/14 BUDGET

| DESCRIPTION | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|------------------------------------|--|--|--|---|
| TAXES | | | | |
| Property Taxes, Current Secured | \$171,130,237 | \$176,732,774 | \$5,602,537 | 3.27% |
| Property Taxes, Current Unsecured | 6,527,253 | 6,740,215 | 212,962 | 3.26% |
| Property Taxes, Prior Unsecured | 112,894 | 112,894 | - | 0.00% |
| Property Taxes, Supplemental | 1,800,000 | 1,800,000 | - | 0.00% |
| Delinquent Supplemental | 201,867 | 201,867 | - | 0.00% |
| Home-owner Property Tax | 1,432,458 | 1,410,971 | (21,487) | -1.50% |
| TOTAL PROPERTY TAXES | 181,204,709 | 186,998,721 | \$5,794,012 | 3.20% |
| INTERGOVERNMENTAL | | | | |
| State | | | | |
| SRA-Wild lands (CAL FIRE Contract) | 3,983,788 | 3,983,788 | - | 0.00% |
| Assistance by Hire (State) | 1,923,088 | 200,000 | (1,723,088) | -89.60% |
| Helicopters' Billing - CAL FIRE | 144,099 | 10,000 | (134,099) | -93.06% |
| SUB-TOTAL | 6,050,975 | 4,193,788 | (1,857,187) | -30.69% |
| Federal | | | | |
| Disaster Relief-Federal | 55,018 | - | (55,018) | -100.00% |
| USAR Reimbursements | 1,320,298 | - | (1,320,298) | -100.00% |
| Assistance by Hire (Federal) | 489,364 | 100,000 | (389,364) | -79.57% |
| Misc Federal Revenue | 2,720,558 | - | (2,720,558) | -100.00% |
| SUB-TOTAL | 4,585,238 | 100,000 | (4,485,238) | -97.82% |
| CRA Pass-Through | | | | |
| Cypress-CRA Pass thru | 522,792 | 591,899 | 69,107 | 13.22% |
| Irvine - CRA Pass thru | 457,487 | 633,766 | 176,279 | 38.53% |
| La Palma - CRA Pass thru | 145,976 | 262,948 | 116,972 | 80.13% |
| Lake Forest - CRA Pass thru | 8,153 | 373,755 | 365,602 | 4484.26% |
| Mission Viejo Pass thru | 887,596 | 889,407 | 1,811 | 0.20% |
| San Juan Caps - CRA Pass thru | 921,128 | 751,837 | (169,291) | -18.38% |
| County of Orange Pass-Through | 1,130,457 | 1,521,239 | 390,782 | 34.57% |
| Yorba Linda - CRA Pass thru | 1,815,436 | 2,124,647 | 309,211 | 17.03% |
| Buena Park - CRA Pass Thru | 192 | - | (192) | -100.00% |
| Misc. One-Time RDA revenue | 10,563,061 | - | (10,563,061) | -100.00% |
| SUB-TOTAL | 16,452,278 | 7,149,498 | (9,302,780) | -56.54% |
| TOTAL INTERGOVERNMENTAL | 27,088,491 | 11,443,286 | (15,645,205) | -57.76% |

ORANGE COUNTY FIRE AUTHORITY

FUND 121 - GENERAL FUND

REVENUE DETAIL

2013/14 BUDGET

| DESCRIPTION | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|--|--|--|--|---|
| <i>CHARGES FOR CURRENT SERVICES</i> | | | | |
| Cash Contracts | | | | |
| San Clemente-Ambulance S&EB | 477,361 | 477,361 | - | 0.00% |
| San Clemente-Ambulance S&S | 15,000 | 15,000 | - | 0.00% |
| Tustin | 5,901,371 | 6,080,404 | 179,033 | 3.03% |
| Placentia | 4,976,100 | 5,127,063 | 150,963 | 3.03% |
| Santa Ana | 34,131,040 | 34,617,975 | 486,935 | 1.43% |
| Santa Ana S&EB Reimbursement | 809,383 | 810,000 | 617 | 0.08% |
| Seal Beach | 4,108,179 | 4,232,812 | 124,633 | 3.03% |
| Stanton | 3,431,389 | 3,438,886 | 7,497 | 0.22% |
| JWA Contract | 4,579,662 | 4,194,160 | (385,502) | -8.42% |
| Buena Park | 8,531,785 | 8,774,652 | 242,867 | 2.85% |
| San Clemente | 6,743,836 | 6,911,619 | 167,783 | 2.49% |
| Westminster | 9,045,937 | 9,300,304 | 254,367 | 2.81% |
| SUB-TOTAL | 82,751,043 | 83,980,236 | 1,229,193 | 1.49% |
| Hazardous Materials Section | | | | |
| HMS Disclosure Fee | - | - | - | n/a |
| HMS CalARP Fee | 243,466 | - | (243,466) | -100.00% |
| SUB-TOTAL | 243,466 | - | (243,466) | -100.00% |
| Fire Prevention Fees | | | | |
| AR Late Payment Penalty | 8,400 | 8,400 | - | 0.00% |
| Inspection Services Revenue | 1,831,693 | 2,063,646 | 231,953 | 12.66% |
| P&D Fees | 3,009,459 | 3,286,391 | 276,932 | 9.20% |
| False Alarm | 250,000 | 250,000 | - | 0.00% |
| SUB-TOTAL | 5,099,552 | 5,608,437 | 508,885 | 9.98% |
| Other Charges for Services | | | | |
| Charge for Hand Crew Services | 166,584 | 166,584 | - | 0.00% |
| SUB-TOTAL | 166,584 | 166,584 | - | 0.00% |
| Ambulance Reimbursements | | | | |
| Ambulance Supplies Reimbursement | 1,030,920 | 1,030,920 | - | 0.00% |
| ALS Transport Reimbursement | 3,539,654 | 3,539,654 | - | 0.00% |
| SUB-TOTAL | 4,570,574 | 4,570,574 | - | 0.00% |
| TOTAL CHGS FOR CURRENT SVCS | 92,831,219 | 94,325,831 | 1,494,612 | 1.61% |

ORANGE COUNTY FIRE AUTHORITY

FUND 121 - GENERAL FUND

REVENUE DETAIL

2013/14 BUDGET

| DESCRIPTION | 2012/13 Approved Budget | 2013/14 Draft Proposed Budget | \$ Change fr 2012/13 Budget | % Change fr 2012/13 Budget |
|------------------------------------|--|--|--|---|
| USE OF MONEY AND PROPERTY | | | | |
| Interest | | | | |
| Interest | 188,658 | 221,379 | 32,721 | 17.34% |
| TOTAL USE OF MONEY/PROPERTY | 188,658 | 221,379 | 32,721 | 17.34% |
| REVENUE - OTHER | | | | |
| Miscellaneous Revenue | | | | |
| Other Revenue | 5,000 | 5,000 | - | 0.00% |
| Miscellaneous Revenue | 3,770,412 | 46,500 | (3,723,912) | -98.77% |
| Restitution | 12,296 | 1,000 | (11,296) | -91.87% |
| RFOTC Cell Tower Lease Agreement | 14,375 | 50,000 | 35,625 | 247.83% |
| Witness Fees | 4,500 | 4,500 | - | 0.00% |
| Joint Apprenticeship Comm (CFFJAC) | 150,000 | 150,000 | - | 0.00% |
| Misc Revenue - Training & EMS | 500,000 | 500,000 | - | 0.00% |
| Bankruptcy Loss Recovery | 91,032 | 25,000 | (66,032) | -72.54% |
| Insurance Settlements | 25,776 | - | (25,776) | -100.00% |
| Sales of Surplus | 50,000 | 50,000 | - | 0.00% |
| TOTAL OTHER REVENUE | 4,623,391 | 832,000 | (3,791,391) | -82.00% |
| TOTAL | \$305,936,468 | \$293,821,217 | (\$12,115,251) | -3.96% |

*Capital Improvement
Program Funds*



Capital Improvement Plan Overview

Introduction

The Orange County Fire Authority's Capital Improvement Program (CIP) has been reviewed and updated through 2018 to coincide with the 2013/14 budget. The proposed 2013/14 CIP budget is \$24.96 million.

The proposed CIP budget for 2013/14 reflects a net increase of \$7.42 million compared to the prior five-year CIP budget to include \$1.28M for a TDA 100' Quint and an increase of \$450K for the construction costs to build Fire Station 56 in Ortega Valley. Projects which were rebudgeted from 2012/13 to 2013/14 include the 911 Telephone System Replacement, the Incident Reporting Application and the Integrated Fire Prevention (IFP) projects totaling \$6.15M. The Geographic Information Systems' (GIS) projects, Enterprise GIS (\$292K) and Geodatabase Development for Public Safety Systems (\$300K), have been moved to the General Fund and were deleted in Fund 124. Regional Interoperability Project (\$380K) is now closed and not included in the CIP.

CIP Funds

The OCFA's five-year CIP is organized into four funds. A description of the four funds is located in each section. In the past, major funding sources for the CIP included operating transfers from the General Fund, interest, developer contributions, and contracts with member cities. Lease Purchase Financing Agreements have also provided cash flow funding for the CIP. Currently, projects are primarily funded through use of fund balances.

CIP Highlights

Fund 122 – Facilities Maintenance & Improvement

2013/14 Budget Request - \$1.25M

- Includes \$978K for scheduled maintenance, repairs and replacements, and alterations and improvements to various stations
 - Includes \$270K for alterations and improvements to cash contract fire stations
-

Fund 123 – Facilities Replacement

2013/14 Budget Request - \$5.25M

- Includes \$5.25M for the construction of new Station 56 (Developer Funded)
-

Fund 124 – Communications & Information Systems Replacement

2013/14 Budget Request - \$10.68M

- Includes rebudgets from 2012/13 for the Incident Reporting Application Project (\$2.47M), the Integrated (IFP) Replacement Project (\$2.77M) and the 911 Telephone System Replacement Project (\$920K)
 - Includes various projects related to communications and workplace support such as MDC and Mobile Communications Management (\$2.0M), Microsoft Software Enterprise Agreement (\$230K) and PC/Laptop/Printer Replacements (\$200K)
 - Includes various projects related to communications and information technology infrastructure such as Wireless Network to Apparatus from Stations (\$327K) and Business Systems Server Replacement (\$200K)
-

Fund 133 – Vehicle Replacement

2013/14 Budget Request - \$7.78M

- Includes the purchase of three Type I engines (\$1.63M), one TDA 100' Quint (\$1.28M), six BC Command vehicles (\$510K), one ambulance (\$136K), five full-size, 4-door vehicles (\$253K) and one developer-funded Type I engine (\$643K)
 - Includes the purchase of nine support vehicles (\$359K)
 - Includes debt payments towards the lease-purchase financing agreement for the helicopters (\$2.53M)
 - Includes the purchase of helicopter components (\$344K)
-

ORANGE COUNTY FIRE AUTHORITY
CAPITAL IMPROVEMENT PROGRAM
FIVE-YEAR PLAN SUMMARY 2013/14 - 2017/18

| Fund | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Year TOTAL |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|-------------------------|
| <i>Fund 122</i> Facilities Maintenance & Improvement | \$1,247,614 | \$1,274,498 | \$1,302,122 | \$1,330,505 | \$1,359,669 | \$6,514,408 |
| <i>Fund 123</i> Facilities Replacement | 5,250,000 | - | - | - | - | 5,250,000 |
| <i>Fund 124</i> Communications & Info. Systems Replacement | 10,682,217 | 2,081,964 | 1,691,819 | 5,135,936 | 5,583,434 | 25,175,370 |
| <i>Fund 133</i> Vehicle Replacement | 7,777,392 | 6,120,661 | 7,109,038 | 9,851,434 | 5,914,201 | 36,772,726 |
| GRAND TOTAL | \$24,957,223 | \$9,477,123 | \$10,102,979 | \$16,317,875 | \$12,857,304 | \$73,712,504 |
| Less: Non-discretionary lease installment payments | 2,531,723 | 2,531,723 | 2,531,723 | 2,531,723 | 2,531,723 | 12,658,615 |
| TOTAL CIP PROJECTS | \$22,425,500 | \$6,945,400 | \$7,571,256 | \$13,786,152 | \$10,325,581 | \$61,053,889 |

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

| Item No. | Project Priority | Project | 2012/13 Internal Use Only* |
|----------|------------------|---------|----------------------------|
|----------|------------------|---------|----------------------------|

FACILITIES MAINTENANCE & IMPROVEMENT - FUND 122

| | | | |
|-------------------------|---|--|--------------------|
| 1 | A | Repair and Replacement | \$274,245 |
| 2 | A | Scheduled Maintenance, Renovation and Replacement | 484,500 |
| 3 | B | Alterations and Improvements - OCFA Fire Stations | 192,704 |
| 4 | B | Alterations and Improvements - Cash Contract Fire Stations | 270,000 |
| 5 | C | Fire Station 32 Detached Vehicle Storage Building | 25,000 |
| Total - Fund 122 | | | \$1,246,449 |

FACILITIES REPLACEMENT - FUND 123

| | | | |
|-------------------------|---|---|--------------------|
| 1 | A | Station 56 (Ortega Valley) - New Station (Developer-funded) | |
| 2 | A | Station 41 (Fullerton Airport) - Hangar Purchase - Phase II | 2,206,900 |
| 3 | A | Station 17 (Cypress) - Replacement Station | 63,863 |
| 3 | C | Station 20 (Great Park) | |
| 4 | C | Station 67 (Rancho Mission Viejo) | |
| Total - Fund 123 | | | \$2,270,763 |

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

* Includes proposed mid-year budget adjustments

| Item No. | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Year TOTAL |
|----------|---------|---------|---------|---------|---------|--------------|
|----------|---------|---------|---------|---------|---------|--------------|

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 | \$281,787 | \$289,536 | \$297,498 | \$305,679 | \$314,085 | \$1,488,585 |
| 2 | 497,824 | 511,514 | 525,581 | 540,034 | 554,885 | 2,629,838 |
| 3 | 198,003 | 203,448 | 209,043 | 214,792 | 220,699 | 1,045,985 |
| 4 | 270,000 | 270,000 | 270,000 | 270,000 | 270,000 | 1,350,000 |
| 6 | | | | | | - |
| | \$1,247,614 | \$1,274,498 | \$1,302,122 | \$1,330,505 | \$1,359,669 | \$6,514,408 |

| | | | | | | |
|---|--------------------|-----------------|---|-----------------|---|--------------------|
| 1 | \$5,250,000 | | | | | \$5,250,000 |
| 2 | | | | | | - |
| 3 | | | | | | - |
| 3 | | Developer Build | | | | - |
| 4 | | | | Developer Build | | - |
| | \$5,250,000 | - | - | - | - | \$5,250,000 |

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

| Item No. | Project Priority | Project | 2012/13 Internal Use Only* |
|----------|------------------|---------|----------------------------|
|----------|------------------|---------|----------------------------|

COMMUNICATIONS & INFO. SYSTEMS REPLACEMENT - FUND 124

| | | | |
|-------------------------|---|---|--------------------|
| 1 | A | 800 MHz Radios | \$42,000 |
| 2 | A | 900 MHz Pagers, Fax Machines, Audiovisual & Small Equipment Replacement | 45,000 |
| 3 | A | Communications Installation/Vehicle Replacement | 229,087 |
| 4 | A | Fire Station Telephone/Alarm/Sound System Upgrades | 90,000 |
| 5 | A | Mobile Data Computer (MDC) System | 143,260 |
| 6 | A | VHF Radios | 15,000 |
| 7 | A | Business Systems Server Replacement | 273,608 |
| 8 | A | Centralized Data Storage, Backup, and Recovery | 101,723 |
| 9 | A | Network Upgrade, Server Consolidation, Security | 25,000 |
| 10 | A | Wireless Network to Apparatus from Stations | 566,592 |
| 11 | A | CAD System Planning/Design & Replacement | 4,743,494 |
| 12 | A | Incident Reporting Application Replacement | - |
| 13 | A | Planning & Development Automation-IFP Replacement - FP Fee-funded | - |
| 14 | A | Microsoft Software Enterprise Agreement | 230,000 |
| 15 | A | MDC and Mobile Data Network Infrastructure Upgrade | 900,000 |
| 16 | B | Digital Ortho Photography | |
| 17 | B | PC, Laptop, Printer Replacements | 200,000 |
| 18 | B | Intranet/Internet/Organizational Calendaring Development | 94,047 |
| 19 | B | GIS Equipment Replacement | |
| 20 | B | Base Station Radio Replacement | 190,000 |
| 21 | B | Audio Video Digital Media Archive | |
| 22 | B | 911 Telephone System Replacement (cost recovered by 911 funds) | |
| 23 | B | 800 MHz Countywide Coordinated Communications System Replacement | |
| 24 | | Field Data Collection Devices | 200,000 |
| 25 | | Internet/Sharepoint & Organizational Calendaring | 114,811 |
| 26 | | Work Order and Inventory Management | 89,691 |
| Total - Fund 124 | | | \$8,293,313 |

VEHICLE REPLACEMENT - FUND 133

| | | | |
|-------------------------|-----|---|--------------------|
| 1 | A | Lease Purchase Financing: Principal & Interest | \$2,531,723 |
| 2 | A/B | Emergency Vehicles | 6,856,768 |
| 3 | A | Developer Funded Vehicles | |
| 4 | B | Support Vehicles | 90,000 |
| 5 | B | Extended Warranty/Maintenance Contracts for Cardiac Defibrillator/Monitor | 86,958 |
| 6 | B | Defibrillator Replacements | |
| 7 | B | Helicopter Components | |
| Total - Fund 133 | | | \$9,565,449 |

| | | | |
|------------------------------------|--|--|---------------------|
| GRAND TOTAL - ALL CIP FUNDS | | | \$21,375,974 |
|------------------------------------|--|--|---------------------|

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

* Includes proposed mid-year budget adjustments

| Item No. | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Year TOTAL |
|----------|---------|---------|---------|---------|---------|--------------|
|----------|---------|---------|---------|---------|---------|--------------|

| | | | | | | |
|----|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 1 | \$62,500 | \$100,775 | \$76,450 | \$48,650 | \$34,750 | \$323,125 |
| 2 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 260,000 |
| 3 | 217,165 | 196,589 | 158,769 | 143,814 | 114,612 | 830,949 |
| 4 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 450,000 |
| 5 | 156,000 | 126,000 | 75,000 | 75,000 | 460,000 | 892,000 |
| 6 | 26,400 | 50,600 | 39,600 | 26,400 | 22,000 | 165,000 |
| 7 | 200,000 | 75,000 | 60,000 | 60,000 | 75,000 | 470,000 |
| 8 | 60,000 | 20,000 | 20,000 | 20,000 | 60,000 | 180,000 |
| 9 | 50,000 | 226,000 | 250,000 | 50,000 | 200,000 | 776,000 |
| 10 | 327,000 | | | | | 327,000 |
| 11 | 365,000 | 365,000 | | | | 730,000 |
| 12 | 2,615,801 | 150,000 | 150,000 | | | 2,915,801 |
| 13 | 2,915,351 | 150,000 | 150,000 | | | 3,215,351 |
| 14 | 230,000 | 230,000 | 260,000 | 260,000 | 260,000 | 1,240,000 |
| 15 | 2,000,000 | | | | | 2,000,000 |
| 16 | 70,000 | | | 70,000 | | 140,000 |
| 17 | 200,000 | 200,000 | 200,000 | 315,000 | 315,000 | 1,230,000 |
| 18 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| 19 | 25,000 | | | 25,000 | | 50,000 |
| 20 | | | 60,000 | | | 60,000 |
| 21 | 50,000 | | | | | 50,000 |
| 22 | 920,000 | | | | | 920,000 |
| 23 | | | | 3,850,072 | 3,850,072 | 7,700,144 |
| 24 | | | | | | - |
| 25 | | | | | | - |
| 26 | | | | | | - |
| | \$10,682,217 | \$2,081,964 | \$1,691,819 | \$5,135,936 | \$5,583,434 | \$25,175,370 |

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 1 | \$2,531,723 | \$2,531,723 | \$2,531,723 | \$2,531,723 | \$2,531,723 | \$12,658,615 |
| 2 | 3,812,619 | 2,770,259 | 4,243,792 | 3,311,627 | 3,065,924 | 17,204,221 |
| 3 | 643,106 | | | | | 643,106 |
| 4 | 358,986 | 579,783 | 152,372 | 66,084 | 66,554 | 1,223,779 |
| 5 | 86,958 | 83,896 | 57,151 | | | 228,005 |
| 6 | | | | 3,835,000 | | 3,835,000 |
| 7 | 344,000 | 155,000 | 124,000 | 107,000 | 250,000 | 980,000 |
| | \$7,777,392 | \$6,120,661 | \$7,109,038 | \$9,851,434 | \$5,914,201 | \$36,772,726 |

| | | | | | | |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | \$24,957,223 | \$9,477,123 | \$10,102,979 | \$16,317,875 | \$12,857,304 | \$73,712,504 |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|

**ORANGE COUNTY FIRE AUTHORITY
CAPITAL IMPROVEMENT PROGRAM
PROJECTS DEFERRED**

| Project | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Year TOTAL |
|---------|---------|---------|---------|---------|---------|--------------|
|---------|---------|---------|---------|---------|---------|--------------|

FACILITIES REPLACEMENT - FUND 123

| | | | | | | |
|----------------------------------|---|---|---|---|--------------|--------------|
| FS18 (Trabuco Canyon) - Replc FS | | | | | \$5,250,000 | \$5,250,000 |
| FS9 (Mission Viejo) - Replc FS | | | | | 5,250,000 | 5,250,000 |
| FS25 (Midway City) - Replc FS | | | | | 5,250,000 | 5,250,000 |
| <i>Total - Fund 123</i> | - | - | - | - | \$15,750,000 | \$15,750,000 |

COMMUNICATIONS & INFO. SYSTEMS REPLACEMENT - FUND 124

| | | | | | | |
|--|---|-------------|-----------|---|---|-------------|
| Enterprise Reporting & Business Intelligence | | \$125,000 | \$125,000 | | | \$250,000 |
| Document Management Project | | 150,000 | | | | 150,000 |
| Field Data Collection Devices | | 627,500 | | | | 627,500 |
| Virtual Operations Center (VOC) | | 500,000 | | | | 500,000 |
| <i>Total - Fund 124</i> | - | \$1,402,500 | \$125,000 | - | - | \$1,527,500 |

VEHICLE REPLACEMENT - FUND 133

| | | | | | | |
|---------------------------|---|-------------|-----------|-----------|--------------|--------------|
| Emergency Vehicles | | \$1,637,674 | \$42,460 | \$751,454 | | \$2,431,588 |
| Developer Funded Vehicles | | 1,322,673 | | | | 1,322,673 |
| Support Vehicles | | 686,525 | | 86,218 | | 772,743 |
| <i>Total - Fund 133</i> | - | \$3,646,872 | \$42,460 | \$837,672 | - | \$4,527,004 |
| GRAND TOTAL | - | \$5,049,372 | \$167,460 | \$837,672 | \$15,750,000 | \$21,804,504 |

Fund 122

Facilities Maintenance & Improvement



This fund is a governmental fund used to account for financial activity associated with significant maintenance and improvement of facilities. This fund's primary sources of revenue are operating transfers from the Fire General Fund and \$15,000 per station contributions from cash contracts.

**Orange County Fire Authority
List of Fire Stations**

| Station # | Station Name | Address | Location |
|------------------|----------------------|---------------------------------|----------------------------|
| #2 | Los Alamitos | 3642 Green Ave. | Los Alamitos |
| #4 | University | 2 California Ave. | Irvine |
| #5 | Laguna Niguel | 23600 Pacific Island Dr. | Laguna Niguel |
| #6 | Irvine | 3180 Barranca Pkwy. | Irvine |
| #7 | San Juan Capistrano | 31865 Del Obispo | San Juan Capistrano |
| #8 | Skyline | 10631 Skyline Dr. | Santa Ana (Unincorp.) |
| #9 | So. Mission Viejo | #9 Shops Blvd. | Mission Viejo |
| #10 | Yorba Linda | 18422 E. Lemon Dr. | Yorba Linda |
| #11 | Emerald Bay | 259 Emerald Bay | Laguna Beach (Unincorp.) |
| #13 * | La Palma | 7822 Walker St. | La Palma |
| #14 | Silverado | P.O. Box 12 | Silverado (Unincorp.) |
| #15 ** | Silverado (USFS) | 27172 Silverado Canyon Rd. | Silverado (Unincorp.) |
| #16 | Modjeska | 28891 Modjeska Canyon Rd. | Silverado (Unincorp.) |
| #17 | Tri-Cities | 4991 Cerritos Ave. | Cypress |
| #18 *** | Trabuco | 30942 Trabuco Canyon Rd. | Trabuco Canyon (Unincorp.) |
| #19 | Lake Forest | 23022 El Toro Rd. | Lake Forest |
| #20 | Irvine | 6933 Trabuco Rd. | Irvine |
| #21 | Tustin | 1241 Irvine Blvd. | Tustin |
| #22 | Laguna Hills | 24001 Paseo de Valencia | Laguna Woods |
| #23 | Villa Park | 5020 Santiago Canyon Rd. | Villa Park |
| #24 | Mission Viejo | 25862 Marguerite Pkwy. | Mission Viejo |
| #25 | Midway City | 8171 Bolsa Ave. | Midway City (Unincorp.) |
| #26 | Valencia | 4691 Walnut Ave. | Irvine |
| #27 | Portola Springs | 12400 Portola Springs Rd. | Irvine |
| #28 | Irv. Industrial | 17862 Gillette Ave. | Irvine |
| #29 | Doheny | 26111 Victoria Blvd. | Dana Point |
| #30 | Niguel | 23831 Stonehill Dr. | Dana Point |
| #31 | No. Mission Viejo | 22426 Olympiad Rd. | Mission Viejo |
| #32 | East Yorba Linda | 20990 Yorba Linda Blvd. | Yorba Linda |
| #33 *** | Airport Crash | 374 Paularino | John Wayne Airport |
| #34 * | Placentia (Valencia) | 1530 N. Valencia | Placentia |
| #35 * | Placentia (Bradford) | 110 S. Bradford | Placentia |
| #36 | Woodbridge | 301 E. Yale Loop | Irvine |
| #37 * | Tustin | 14901 Red Hill Ave. | Tustin |
| #38 | Irvine | 26 Parker | Irvine |
| #39 | No. Laguna Niguel | 24241 Avila Rd. | Laguna Niguel |
| #40 | Coto de Caza | 25082 Vista del Verde | Coto de Caza (Unincorp.) |
| #41 ** | Fullerton Airport | 3900 Artesia Ave. | Fullerton |
| #42 | Portola Hills | 19150 Ridgeline Rd. | Lake Forest |
| #43 * | Tustin Ranch | 11490 Pioneer Way | Tustin |
| #44 * | Seal Beach | 718 Central Ave. | Seal Beach |
| #45 | Santa Margarita | 30131 Aventura | Rancho Santa Margarita |
| #46 * | Stanton | 7871 Pacific St. | Stanton |
| #47 | Shady Canyon | 47 Fossil | Irvine |
| #48 * | Seal Beach | 3131 Beverly Manor Rd. | Seal Beach |
| #49 | Bear Brand | 31461 St. of the Golden Lantern | Laguna Niguel |
| #50 * | San Clemente | 670 Camino de los Mares | San Clemente |
| #51 | Irvine Spectrum | 18 Cushing | Irvine |
| #53 | Yorba Linda | 25415 La Palma Ave. | Yorba Linda |
| #54 | Foothill Ranch | 19811 Pauling Ave. | Lake Forest |
| #55 | Irvine | 4955 Portola Parkway | Irvine |
| #57 | Aliso Viejo | 57 Journey | Aliso Viejo |
| #58 | Ladera Ranch | 58 Station Way | Ladera Ranch |
| #59 * | San Clemente | 48 Avenida La Pata | San Clemente |
| #60 * | San Clemente | 100 Avenida Presidio | San Clemente |
| #61 * | Buena Park | 8081 Western Ave. | Buena Park |
| #62 * | Buena Park | 7780 Artesia Blvd. | Buena Park |
| #63 * | Buena Park | 9120 Holder St. | Buena Park |
| #64 * | Westminster #1 | 7351 Westminster Blvd. | Westminster |
| #65 * | Westminster #3 | 6061 Hefley St. | Westminster |
| #66 * | Westminster #2 | 15061 Moran St. | Westminster |
| #70* | Santa Ana | 2310 N. Old Grand St. | Santa Ana |
| #71* | Santa Ana | 1029 W. 17th St. | Santa Ana |
| #72* | Santa Ana | 1688 E. 4th St. | Santa Ana |
| #73* | Santa Ana | 419 S. Franklin St. | Santa Ana |
| #74* | Santa Ana | 1427 S. Broadway St. | Santa Ana |
| #75* | Santa Ana | 120 W. Walnut St. | Santa Ana |
| #76* | Santa Ana | 950 W. MacArthur Ave. | Santa Ana |
| #77* | Santa Ana | 2317 S. Greenville St. | Santa Ana |
| #78* | Santa Ana | 501 N. Newhope St. | Santa Ana |
| #79* | Santa Ana | 1320 E. Warner Ave. | Santa Ana |

* City-Owned Stations

** Other Leased Stations

*** County-Owned

Repair and Replacement

Project Priority: A

Project Type: Facilities Maintenance/Improvements

Project Management: Property Management

Project Description: Repair and replacement includes programmed repair/replacement of facilities systems/components and unanticipated, immediate repairs needed to maintain safe, operational fire stations and facilities. The budget amount includes an increase based on an average regional Consumer Price Index (CPI) projection of 2.75%.

Normal requirements include:

- Plumbing
- Apparatus doors
- Station furnishing and appliances
- HVAC/machinery
- Roof replacement and repair
- Structural inspection and repair
- Electrical systems repair
- Concrete and asphalt repair/replacement
- Building exteriors
- Grounds and landscape repair and maintenance
- Fire/life safety systems

Project Status: Programmed repair and replacement is ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---|-----------|-----------|-----------|-----------|-----------|-------------|
| <i>Project Cost</i> Maintenance – Buildings & Improvements | \$281,787 | \$289,536 | \$297,498 | \$305,679 | \$314,085 | \$1,488,585 |
| Total | \$281,787 | \$289,536 | \$297,498 | \$305,679 | \$314,085 | \$1,488,585 |

Impact on Operating Budget: Planned repair and replacement of systems minimizes facility systems failures and related costs.

Scheduled Maintenance, Renovation and Replacement

Project Priority: A

Project Type: Facilities Maintenance/Improvements

Project Management: Property Management

Project Description: Scheduled maintenance provides scheduled, periodic inspection, service, and planned replacement of facilities systems including:

- HVAC/machinery
- Roof systems
- Plumbing systems
- Structural
- Fire/life safety systems
- Grounds and surfaces
- Apparatus doors
- Diesel exhaust extraction

Major system replacements/renovations include:

- Roof replacement
- Concrete and asphalt resurfacing
- Replacement of apparatus bay doors
- Interior/exterior painting
- Replace flooring
- Plumbing re-pipe
- Major electrical components/controls
- Interior renovation/upgrade

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|--|-----------|-----------|-----------|-----------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Maintenance – Buildings & Improvements | \$497,824 | \$511,514 | \$525,581 | \$540,034 | \$554,885 | \$2,629,838 |
| Total | \$497,824 | \$511,514 | \$525,581 | \$540,034 | \$554,885 | \$2,629,838 |

Impact on Operating Budget: Scheduled maintenance, renovation and replacement extends the service life of major systems, reduces failure and the cost of emergency repair and replacement.

Alterations and Improvements-OCFA Fire Stations

Project Priority: B

Project Type: Facilities Maintenance/Improvements

Project Management: Property Management

Project Description: Maintenance may include service and repairs that were not anticipated or included in scheduled maintenance and repair with costs exceeding \$1,000. Alterations and improvements are permanent upgrades to structures, grounds and building systems, necessary to maintain the readiness and serviceability of the fire stations. Projects normally include:

- Structure replacement
- Surface replacement/addition
- Structure addition
- Machinery replacement
- Furniture replacement
- Space renovation/remodel
- Unique projects

Project Status: To maximize cost containment efforts, maintenance, alterations and improvements will be limited to projects determined vital for readiness.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|--|-----------|-----------|-----------|-----------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Maintenance – Buildings & Improvements | \$198,003 | \$203,448 | \$209,043 | \$214,792 | \$220,699 | \$1,045,985 |
| Total | \$198,003 | \$203,448 | \$209,043 | \$214,792 | \$220,699 | \$1,045,985 |

Impact on Operating Budget: Alterations and improvements upgrade facilities to current standards; reduce failures, repairs and operating costs.

Alterations and Improvements-Cash Contract Fire Stations

Project Priority: B

Project Type: Facilities Maintenance/Improvements

Project Management: Property Management

Project Description: Maintenance and repair requirements over \$1,000 are included in this budget. Alterations and improvements are permanent upgrades to structures, grounds and building systems necessary to maintain the readiness and serviceability of the fire stations. Under the OCFA's Amended Joint Powers Authority Agreement, cash contracts contribute up to \$15,000 per station for alterations and improvements to their stations.

Project Status: To maximize cost containment efforts, maintenance, alterations and improvements are limited to projects determined vital for readiness.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|--|-----------|-----------|-----------|-----------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Maintenance – Buildings & Improvements | \$270,000 | \$270,000 | \$270,000 | \$270,000 | \$270,000 | \$1,350,000 |
| Total | \$270,000 | \$270,000 | \$270,000 | \$270,000 | \$270,000 | \$1,350,000 |

Impact on Operating Budget: Maintenance, alterations and improvements reduce failure, repairs, and operating costs and insure facilities meet OCFA standards.

Fund 123

Facilities Replacement



This fund is a governmental fund used for capital expenditure requirements such as replacing sub-standard fire stations, constructing new fire stations, and remodeling of fire stations. Significant funding sources include operating transfers from the Fire General Fund, and contributions or reimbursements from developers responsible for a share of new fire station development costs.

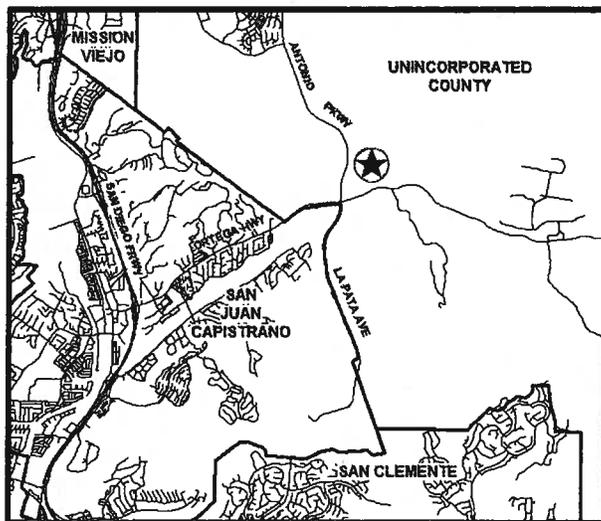
Fire Station 56, Ortega Valley (Developer-Funded)

Project Priority: A

Project Type: New Fire Station Construction

Project Management: Property Management

Project Description: This project provides for the design and construction of new Fire Station 56 located in the Ortega Valley. The approximately 10,000 square foot station will have three apparatus bays and house up to two companies. This is the first time OCFA will employ the design-build public works project delivery method. The project combines previously separate design and construction functions and includes other associated costs including CEQA, geotechnical investigation and administrative fees.



Project Status: Planning and design are scheduled to begin in 2013/14

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------------------|-------------|---------|---------|---------|---------|-------------|
| Project Cost | | | | | | |
| Planning, Design & Construction | \$5,250,000 | | | | | \$5,250,000 |
| Total | \$5,250,000 | - | - | - | - | \$5,250,000 |

Impact on Operating Budget: This project is new construction and will impact the operating budget for staffing, equipment, normal operations and maintenance costs at an estimated \$2.3 million per fiscal year beginning in January 2015.

Fund 124

Communications & Information Systems Replacement



This fund is a governmental fund used for the replacement of specialized fire communications equipment and information systems. Its primary funding sources are the operating transfers from the Fire General Fund and the use of fund balance.

800 MHz Radios

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: Radio replacement is required approximately every nine to eleven years due to wear and exposure factors. Generally new radios are installed in new apparatus, and the life of mobile radios corresponds to the life of the apparatus. Budgeted amounts may need to be adjusted in later years as the economy improves and replacement of apparatus increases.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Special department expense | \$62,500 | \$100,775 | \$76,450 | \$48,650 | \$34,750 | \$323,125 |
| Total | \$62,500 | \$100,775 | \$76,450 | \$48,650 | \$34,750 | \$323,125 |

Impact on Operating Budget: Ongoing replacement of radios will help control maintenance costs in the operating budget.

900 MHz Pagers, Fax Machines, Audiovisual & Small Equipment Replacement

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: The OCFA utilizes about 1,335 pagers, 80 FAX machines, 200 personal communication devices, vehicle intercom components, and several other related small equipment items. Replacement is required approximately every five years because of wear and exposure factors. The components in pagers break down over time and lose critical sensitivity capability needed for optimal performance. The OCFA reserve firefighter personnel use pagers as their primary alerting system for emergency incidents. Their responsibilities require that the pager be reliable 24 hours a day. The budget allows for the annual purchase of replacement pagers, FAX machines, and other small equipment at a cost of about \$200 each.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Office Expense | \$52,000 | \$52,000 | \$52,000 | \$52,000 | \$52,000 | \$260,000 |
| Total | \$52,000 | \$52,000 | \$52,000 | \$52,000 | \$52,000 | \$260,000 |

Impact on Operating Budget: The timely replacement of 900 MHz pagers, fax machines, and other small equipment may result in fewer maintenance expenditures in the operating budget.

Communications Installation/Vehicle Replacement

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: This project provides funding for the installation of communication equipment including radios, mobile data computers, vehicle radio modems, cellular telephones, radio battery chargers, communications electrical systems and automatic vehicle location (AVL) devices in OCFA vehicles. The schedule and budget for this project parallels the Automotive Vehicle Replacement Plan, and mobile equipment replacement projects. Due to the number of vehicles scheduled for replacement annually, installation contractors are required to perform this work with direction and oversight by OCFA staff. New complex communications equipment including complex power management systems requires greater technical expertise for a high quality and functional installation.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$217,165 | \$196,589 | \$158,769 | \$143,814 | \$114,612 | \$830,949 |
| Total | \$217,165 | \$196,589 | \$158,769 | \$143,814 | \$114,612 | \$830,949 |

Impact on Operating Budget: Repair costs are already included in the operating budget.

Fire Station Telephone/Alarm/Sound System Upgrades

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: Acquisition and installation of new fire station alarm/sound systems and telephone systems are necessary as the equipment becomes old, out-dated, and parts are no longer obtainable. In addition, replacement equipment is more "user-friendly" and more efficient to maintain.

The cost of the systems range from \$10,000 to \$30,000 per station. Cost varies depending upon the station size. The life of these systems is between twelve and fifteen years.

The scope and approach to this ongoing project may change following finalization of the Public Safety System design, depending on needs and functionality of the new system.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <i>Project Cost</i> Equipment | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$450,000 |
| Total | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$450,000 |

Impact on Operating Budget: The replacement of old equipment may help control maintenance costs included in the operating budget.

Mobile Data Computer (MDC) System

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: The MDCs are used for the delivery of emergency messages, including initial dispatch of fire and paramedic services. The service life for the various MDC components is as follows: the central processing unit (CPU), four to six years; screen and keyboard, three to five years; Broadband Modem five to seven years. The total system cost including installation is \$8,500. The cost to replace the CPU, screen, keyboard and related software is about \$6,000.

This budget item reflects the cost to replace MDCs in Battalion 9 which will reach end of life in 2014 and 2015, and to support the addition of MDCs to be used for rotational stock during installation in new apparatus, and for service and maintenance as the current ones age and repair and trade out of devices is required. It also allows for the first year of a three-year phased replacement of existing MDCs as they reach end of life starting in 2017/18.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Special department expense | \$156,000 | \$126,000 | \$75,000 | \$75,000 | \$460,000 | \$892,000 |
| Total | \$156,000 | \$126,000 | \$75,000 | \$75,000 | \$460,000 | \$892,000 |

Impact on Operating Budget: Replacement of the MDCs may help control maintenance costs included in the operating budget.

VHF Radios

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: This project is for the purchase and replacement of VHF mobile and portable radios. These radios are used for State and mutual aid communications with agencies not on the County 800 MHz radio system. Approximately 800 mobile and portable radios are installed fleet wide. Use of VHF radios ensures communication and enhances the safety of firefighters on automatic and mutual aid responses with the California Department of Forestry (CDF) and the United States Forest Service (USFS) in State and Federal responsibility areas as well as contracts with agencies outside Orange County. These radios have a useful life of nine years. Budgeted replacement costs are based on the useful life of the existing radio inventory.



Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Special department expense | \$26,400 | \$50,600 | \$39,600 | \$26,400 | \$22,000 | \$165,000 |
| Total | \$26,400 | \$50,600 | \$39,600 | \$26,400 | \$22,000 | \$165,000 |

Impact on Operating Budget: The replacement of radios helps control maintenance costs included in the operating budget.

Business Systems Server Replacement

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – IT/Communication Infrastructure

Project Description: This item is an annual, ongoing project to upgrade and/or replace old and out-dated computer servers, which run the business systems. The OCFA currently has 120 servers that support all of the business systems including: Exchange (E-mail), Orange County Fire Incident Reporting System (OCFIRS), Training Records System (TRS), Integrated Fire Prevention (IFP), Automatic Vehicle Location (AVL), Intranet, etc. The servers also support organizational technology infrastructure such as storage area networks (SAN), security systems, and other essential facility systems. The useful life of servers can range from three to five years.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------|----------|----------|----------|----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$200,000 | \$75,000 | \$60,000 | \$60,000 | \$75,000 | \$470,000 |
| Total | \$200,000 | \$75,000 | \$60,000 | \$60,000 | \$75,000 | \$470,000 |

Impact on Operating Budget: The replacement of servers may help control maintenance costs in the operating budget and improve application performance.

Centralized Data Storage, Backup, and Recovery

Project Priority: A

Project Type: New Technology

Project Management: IT – IT/Communication Infrastructure

Project Description: Expand the existing storage area network (SAN) to accommodate the planned move towards server-based centralized storage and backup of critical department information. Information that is currently created and stored on PCs will be stored on servers attached to the SAN centrally where the data is more easily shared and will be backed up to disk and tape, making recovery more reliable. Estimated storage needs of GIS and other image-based data sets are included in this expansion. The upgrade includes multiple backup devices that can back up large volumes of data across multiple servers.

This project will also implement auto archiving of the email database to near line storage through group-based business rules, e-discovery support, and compliance support. Project costs also include associated contracted professional services.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$60,000 | \$20,000 | \$20,000 | \$20,000 | \$60,000 | \$180,000 |
| Total | \$60,000 | \$20,000 | \$20,000 | \$20,000 | \$60,000 | \$180,000 |

Impact on Operating Budget: Annual increase of \$30,000 for hardware/software maintenance costs included in the operating budget.

Network Upgrade, Server Consolidation, Security

Project Priority: A

Project Type: Equipment Replacement/New Technology

Project Management: IT – IT/Communications Infrastructure

Project Description: Several core network components installed in 2004 are now at “end of life” for support and maintenance. These components will be replaced with technology that increases bandwidth, or network capacity necessary due to the expansion of applications including GIS, Records Management systems, centralized storage of departmental data, data collaboration across applications, and online training utilizing streaming media. We will replace core components in the Data Center and individual IDF’s (Intermediate Distribution Facility – more commonly known as data/phone connection closets).

Implementation of wireless network functionality in key locations on the RFOTC campus such as classrooms and select conference rooms as well as information kiosks for the public are additional components of the RFOTC Network Upgrade. An extension of this project is the implementation of wireless networking technology for Command Post support during major incidents.

Implementation of this software tool sets to support management and audits system access and security.

Continue to implement virtualization to support server consolidation. Phased approach includes test environment, migration to pilot, and then to production. Supports long range goal of virtual environment utilization as a component for Disaster Recovery. Project costs also include associated contracted professional services.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$50,000 | \$226,000 | \$250,000 | \$50,000 | \$200,000 | \$776,000 |
| Total | \$50,000 | \$226,000 | \$250,000 | \$50,000 | \$200,000 | \$776,000 |

Impact on Operating Budget: Up to \$20,000 in 2014/15 growing to \$40,000 for hardware/software maintenance costs in 2017/18

Wireless Network to Apparatus from Stations

Project Priority: A

Project Type: New Technology

Project Management: IT – IT/Communication Infrastructure

Project Description: The wireless network project would create “hot spot” networks at each fire station and the Regional Fire and Operations Training Center (RFOTC). This technology would allow the update of portable and mobile devices such as Mobile Data Computers (MDCs) and tablet PCs electronically and automatically whenever the devices are in range of a “hot spot.” This environment allows the OCFA to take advantage of state of the art technology in Geographic Information System (GIS) mapping, patient care data collection, incident reporting, and fire prevention inspection activities. As new applications are implemented and interfaces to the network are built, data can be managed automatically via the network saving significant costs through replacement of manual processes such as printing of paper data-gathering forms for inspections, data entry of incident reports, and updating of district and special area maps. The system infrastructure will also be used for automated fuel tracking at the fire station fuel pumps. The technology can also be used for data sharing at major incidents linking command vehicles and apparatus at the scene improving the OCFA’s command and control functionality.

Project Status: This reflects the final year of a three-year project tied to MDC and CAD replacement, and the automated fuel station implementation for the fleet replacement project.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|------------------|---------|---------|---------|---------|------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$327,000 | | | | | \$327,000 |
| Total | \$327,000 | - | - | - | - | \$327,000 |

Impact on Operating Budget: Fiscal impact cannot be determined at this time.

CAD System Planning/ Design and Replacement

Project Priority: A

Project Type: Application Replacement

Project Management: IT – Systems Development & Support

Project Description: This project is to fund the initial purchase and supplemental or ‘surge’ professional services necessary to replace the existing out-of-date 911 Computer Aided Dispatch (CAD) System. Primary purchase of the system as part of the overall Public Safety Systems Replacement project was expected to occur in the first quarter of 2012/13. Timeline for installation is anticipated to take 18 – 24 months. ‘Surge’ expense is expected to be approximately 20% of system purchase price spread across the implementation period.

The current system has been in place since 1987 and is limited in its ability to meet the OCFA’s requirements in the future. Replacement of the system will allow the OCFA to implement a map-based CAD system, as well as provide the capability for other functionality such as response recommendations based on Automatic Vehicle Location (AVL). The Orange County Fire Incident Reporting (OCFIRS) and Integrated Fire Prevention (IFP) systems are also being replaced and are collectively referred to as the Records Management System (RMS). The RMS systems will be closely integrated with the new CAD system. These three projects are referred to as the Public Safety System.

Project Status: RFP completed and released in January 2011. Contract awarded to TriTech Software Systems in September 2012. Implementation began in November 2012. Go-live milestone projected for 18-months after start of implementation (June 2014). Total project completion will occur when new CAD is integrated with new RMS systems (Incident Reporting, IFP Replacement). The five-year project was initiated in 2008/09.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|------------------|------------------|---------|---------|---------|------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$365,000 | \$365,000 | | | | \$730,000 |
| Total | \$365,000 | \$365,000 | - | - | - | \$730,000 |

Impact on Operating Budget: Application Maintenance/License Costs expected at 20% – 25% of system purchase price and will have an impact on the operating budget in 2014/15 after complete implementation of the project.

Incident Reporting Application Replacement

Project Priority: A

Project Type: Application Replacement

Project Management: IT – Systems Development & Support

Project Description: This project is to fund the initial purchase and supplemental or ‘surge’ professional services necessary to replace the Incident Reporting Application (OCFIRS). This project combined with replacing the Planning & Development Automation (IFP) Application comprises the Records Management System (RMS) component of the overall Public Safety Systems (PSS) replacement project. CAD replacement is the other major component of the PSS replacement project. Implementation is expected to take two to three years and includes integration with the new CAD system. ‘Surge’ expense is expected to be approximately 20% of system purchase price spread across the implementation period.

The IT Strategic Plan study conducted by Gartner Inc. evaluated all of the OCFA’s applications based on their technical stability and how well they were meeting the OCFA’s business needs. The OCFIRS Incident Reporting application was rated poorly in both areas and was recommended for replacement. Gartner Inc. also recommended that the OCFA consider going to bid for an application that would be integrated with either CAD, IFP, or both to improve overall data management within the organization. This budgetary amount is a preliminary estimate and may need revision as requirements are developed.

Project Status: RFP completed and released in January 2011. RFP review, onsite demos, and vendor finalist selection are completed and negotiations were started with FDM Software in December 2012. The contract award is anticipated in the first quarter of 2013/14. The five-year project was initiated in 2008/09.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|--------------------|------------------|------------------|---------|---------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$2,615,801 | \$150,000 | \$150,000 | | | \$2,915,801 |
| Total | \$2,615,801 | \$150,000 | \$150,000 | - | - | \$2,915,801 |

Impact on Operating Budget: Application Maintenance/License Costs expected at 20% - 25% of system purchase price and will have an impact on the operating budget in 2015/16 after complete implementation of the project.

Planning & Development Automation – IFP Replacement

Project Priority: A

Project Type: Application Replacement

Project Management: IT – Systems Development & Support

Project Description: This project is to fund the initial purchase and supplemental or ‘surge’ professional services necessary to replace the Integrated Fire Prevention (IFP) application. This project combined with replacing the Incident Reporting Application (OCFIRS) comprises the Records Management System (RMS) component of the overall Public Safety Systems (PSS) replacement project. CAD replacement is the other major component of the PSS replacement project. Implementation is expected to take two to three years and includes integration with the new CAD system. ‘Surge’ expense is expected to be approximately 20% of system purchase price spread across the implementation period.

The Integrated Fire Prevention (IFP) application has been scheduled for replacement following a detailed needs assessment and business plan analysis that was conducted in 2005/06. The current application was also evaluated based on the quality of its technology and how well the application was meeting business needs; the application scored poorly in both areas. It was recommended that the OCFA proceed with replacement of the application; however, concurrent replacement with the Orange County Fire Incident Reporting System (OCFIRS) and the Computer Aided Dispatch (CAD) System was recommended in order to take advantage of opportunities to move to a shared data platform. Preliminary analysis indicates the replacement cost for this application will be between \$2.0 million and \$3.0 million.

Fire Prevention fees include funding for this project.

Project Status: RFP completed and released in January 2011. RFP review, onsite demos, and vendor finalist selection are completed and negotiations were started with FDM Software in December 2012. The contract award is anticipated in the first quarter of 203/14. The five-year project was initiated in 2008/09.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|--------------------|------------------|------------------|---------|---------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$2,915,351 | \$150,000 | \$150,000 | | | \$3,215,351 |
| Total | \$2,915,351 | \$150,000 | \$150,000 | - | - | \$3,215,351 |

Impact on Operating Budget: Application Maintenance/License Costs expected at 20% – 25% of system purchase price and will have an impact on the operating budget in 2015/16 after complete implementation of the project.

Microsoft Software Enterprise Agreement

Project Priority: A

Project Type: Software Upgrade

Project Management: IT – Communications & Workplace Support

Project Description: OCFA uses Microsoft software throughout the organization, both at the desktop and to support systems and infrastructure. Software products at the desktop include: Windows, Office Applications (Word, Excel, Access, Outlook, Powerpoint), Visio, and Project. Infrastructure includes operating system software on most OCFA servers and enterprise products such as Outlook and Exchange, and an assortment of infrastructure management and security systems. Enterprise systems such as SharePoint and all Structured Query Language (SQL) Server Databases used by core applications are also Microsoft products. All of these applications are fully covered for upgrades as they become available and for maintenance and support through a Microsoft Enterprise Agreement.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Office Equipment | \$230,000 | \$230,000 | \$260,000 | \$260,000 | \$260,000 | \$1,240,000 |
| Total | \$230,000 | \$230,000 | \$260,000 | \$260,000 | \$260,000 | \$1,240,000 |

Impact on Operating Budget: None

MDC and Mobile Data Network Infrastructure Upgrade

Project Priority: A

Project Type: Equipment Replacement

Project Management: IT – IT/Communications Infrastructure

Project Description: The OCFA and the MetroNet jointly own, and the OCFA administers the Countywide Fire Mobile Data Computer Network Infrastructure. This infrastructure consists of redundant network controllers located at the OCFA, mobile data radio repeaters located on mountaintops, and radio communication facilities throughout the County. At year-end of 2012, the current infrastructure reached its end of life and will no longer be supported by Motorola. This project will determine and implement the best Mobile Data Computer Network Infrastructure technology to replace the existing environment.

Combined with this project is the closely related and approved project to replace the Mobile Data Network Management system. The ability to manage the mobile data computer network infrastructure which will likely be comprised of multiple low and high-bandwidth wireless networks, both public and private, for MDC’s, Data tablets, Smart Phones, and other mobile computing technologies as units move in and out of range is critical to first responders and will be addressed by this project. It will also give staff the ability to remotely manage and update mobile computing devices which improves efficiency and better utilizes limited technical resources.

It is anticipated that OCFA and MetroNet will separately transition to Commercial Broadband 4G Wireless Network technologies to replace the jointly owned MDC and Mobile Data Network Infrastructure ending the current cost-sharing arrangement in 2014/15. This is because Motorola’s next generation Mobile Data Computer Network technology does not meet the future bandwidth and data-transmission requirements for OCFA nor MetroNet, and is cost prohibitive.

Project Status: Staff implemented a pilot project with Verizon in 2012.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|--------------------|---------|---------|---------|---------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$2,000,000 | | | | | \$2,000,000 |
| Total | \$2,000,000 | - | - | - | - | \$2,000,000 |

Impact on Operating Budget: Annual broadband expense increase is estimated at \$140,000 starting in 2014. Annual support increases undetermined as yet, but costs will be offset by elimination of MDC infrastructure costs to OCFA of \$41K annually starting in 2014/15.

Digital Ortho Photography

Project Priority: B

Project Type: New Application/Data

Project Management: IT - GIS

Project Description: Digital Ortho Photography (DOP) provides an accurate record of all physical data that exists in the County and area of service at a given point in time. DOP is important to the OCFA as a management tool for the effective and efficient operation of a number of business needs and for spatial data capture and verification. Some of the OCFA business needs supported by DOP are: Special Area Maps and preplans to guide first responders into difficult areas such as apartment complexes and shopping centers, to provide dispatchers a visual record to facilitate response assignments, to establish a default map viewing context for the Automatic Vehicle Location System (AVL), to facilitate vehicle routing to target locations, to assist in reconstructing and investigating crimes, to more effectively manage urban and wildland interfaces, to quality control addresses for run maps, and to verify pre-existing or non-conforming conditions for inspections.

Project Status: Purchase in 2013/14, and every third year afterwards

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------------|---------|---------|-----------------|---------|------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$70,000 | | | \$70,000 | | \$140,000 |
| Total | \$70,000 | - | - | \$70,000 | - | \$140,000 |

Impact on Operating Budget: No Impact.

PC, Laptop, Printer Replacements

Project Priority: B

Project Type: Equipment Replacement

Project Management: IT – Communications & Workplace Support

Project Description: An evaluation and analysis of the OCFA's Personal Computer inventory by Gartner Inc. during the Information Technology Strategic Plan study indicated that desktop computers were not being replaced as frequently as they should, thereby resulting in increased repair and maintenance costs, varied and incompatible operating systems and software versions, and an inconsistent replacement policy. Gartner recommended that PCs be replaced on a four-year rotation plan. Due to current fiscal constraints, computers that do not support emergency response have been moved back to a five to six-year replacement schedule. The PC replacement budget is based on \$1,500 per unit, which includes adequate funding to replace associated printers and peripherals at the same time. It also includes replacement of department-authorized, mission-critical laptop computers on an as-needed basis. Starting in 2012/13, portable computer tablets are being added to the fleet for regional on-scene patient care record entry. Most of the initial devices are grant-funded; however, starting in 2016/17, funding has been added for ongoing replacement at a rate of 25-30% of the tablets each year. Semi-rugged tablets cost about \$2,500 per unit.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$200,000 | \$200,000 | \$200,000 | \$315,000 | \$315,000 | \$1,230,000 |
| Total | \$200,000 | \$200,000 | \$200,000 | \$315,000 | \$315,000 | \$1,230,000 |

Impact on Operating Budget: Deferral of PC and Tablet replacements beyond four years will increase repair and maintenance costs.

Intranet/Internet/Organizational Calendaring Development

Project Priority: B

Project Type: New Application/Replacement

Project Management: IT – Systems Development & Support/GIS

Project Description: This is a multi-year, ongoing project to upgrade both the Internet and Intranet applications. The Intranet upgrade will incorporate additional functionality including document management and collaboration capabilities. The Internet upgrade will include integration and data exchange with in-house applications to provide public access to real-time information. This project also includes the enhancement of the recently implemented SharePoint Intranet. SharePoint provides the infrastructure for the new Intranet that enables a single point of access to multiple functions including document storage and management, project collaboration and management, business intelligence (reporting) as well as the integration of the Outlook/Exchange E-mail systems into a single collaboration point for the OCFA staff.

GIS Intranet/Internet integration is a multi-year project to integrate centralized Geographic Information System (GIS) data and standardized mapping functions with both the Internet and Intranet applications. The Intranet upgrade will include mapping functionality that will provide immediate mapping and analysis capabilities to the OCFA staff. The Internet upgrade will include integration with in-house GIS applications to provide public access to real-time information.

Project Status: Multi-year project, plus ongoing enhancements

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Professional Services | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 |
| Total | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 |

Impact on Operating Budget: No impact.

GIS Equipment Replacement

Project Priority: B

Project Type: Equipment Replacement

Project Management: IT – GIS

Project Description: GIS and mapping activities use large plotters, printers and non-standard output devices. These devices are used to print large wall maps used at fire stations, in the Emergency Command Center (ECC) and during emergency incident planning. These devices require replacement about every three to four years. This line item is for the replacement of these items on an ongoing basis.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------------|---------|---------|-----------------|---------|-----------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$25,000 | | | \$25,000 | | \$50,000 |
| Total | \$25,000 | - | - | \$25,000 | - | \$50,000 |

Impact on Operating Budget: No impact.

Base Station Radio Replacement

Project Priority: B

Project Type: Equipment Replacement

Project Management: IT – IT/Communication Infrastructure

Project Description: OCFA owns fifty base station radios that are used by the dispatchers to communicate with field personnel and other operational agencies during day-to-day and emergency operations. These base station radios have a nine to twelve-year life. Thirty-eight base station radios were purchased in 2001. The current cost for these radios is \$5,000 each. The twelve purchased in 2004 will need to be replaced starting 2015/16.

Project Status: Replacement to occur every nine to twelve years

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------------|---------|---------|----------|---------|---------|-------------|
| <i>Project Cost</i> Equipment | | | \$60,000 | | | \$60,000 |
| Total | - | - | \$60,000 | - | - | \$60,000 |

Impact on Operating Budget: None

Audio Video Digital Media Archive

Project Priority: B

Project Type: Equipment

Project Management: IT – IT/Communication Infrastructure

Project Description: This project will install a high-capacity digital video archive for the OCFA Audio/Visual (A/V) section in the OCFA Datacenter. The A/V staff currently store over 16TB of video locally on their departmental computers without backup, and their data needs are growing quickly. With this project, the A/V staff will double their total storage capacity with a high-speed, redundant, onsite data-archive to approximately 36TB total capacity. The useful life of the high-capacity network storage devices is approximately five to seven years.

Project Status: Replacement to occur every five to seven years

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------------|---------|---------|---------|---------|-----------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$50,000 | | | | | \$50,000 |
| Total | \$50,000 | - | - | - | - | \$50,000 |

Impact on Operating Budget: Annual increase of \$2,000 for hardware/software maintenance to be added to operating budget starting 2016/17.

911 Telephone System Replacement (cost recovered by 911 funds)

Project Priority: A

Project Type: Equipment Replacement

Project Management: ECC & IT – IT/Communications Infrastructure

Project Description: The OCFA’s ECC 911/telephone system was placed in service in 2004. The system designs available at the time were limited and designed to support a call center or Automatic Call Distribution (ACD) model as opposed to a dispatch model. A new system will support the dispatch model. Because it utilizes Voice over IP (VOIP), it can support decentralized dispatching in a large scale emergency, next generation 911 requirements, and other features that will create efficiencies in the operation of the ECC.

The OCFA receives an annual funding allocation of \$92,000 for equipment supporting the 911 telephone system through the State of California Emergency Telephone Number Program that accrues year-to-year. In FY 2012/13, the total accrued amount was \$828,000. As a result, the OCFA will be reimbursed for the cost of this project.

Project Status: The 911/Telephone System Replacement is a one-time purchase originally scheduled to be completed in 2010/11, but due to delays with the vendor this project has now been moved to 2013/14.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|------------------|---------|---------|---------|---------|------------------|
| <i>Project Cost</i> | | | | | | |
| Equipment | \$920,000 | - | - | - | - | \$920,000 |
| Total | \$920,000 | - | - | - | - | \$920,000 |

Impact on Operating Budget: Annual maintenance costs for the existing system are in the current operating budget. It is unknown at this time if supplemental funding will be required for the new system.

800 MHz CCCS – Countywide Coordinated Communications System Replacement

Project Priority: B

Project Type: Equipment Replacement

Project Management: IT – Communications & Infrastructure/ECC

Project Description: The current 800 MHz Countywide Coordinated Communications System (CCCS) was implemented from 1999 to 2001 with an expected operational life expectancy through 2015. The system is administered by the Orange County Sheriffs’ Department/Communications staff. OCSD/Communications staff was directed in 2009 to develop the next generation system proposal, and has developed a 4 – phase upgrade/replacement plan for the CCCS. The upgrade includes implementation of a P25 system architecture, which is the FEMA and Department of Homeland Security recommended technology for public safety communications interoperability.

Phase – 1 (\$2,797,153 – funded by the Public Safety Interoperable Communications (PSIC) grant) was completed by OCSD/Communications staff in 2011 and included updating and replacing obsolete backbone and core equipment that extends the life of the CCCS to 2018.

Phases – 2, 3, 4 includes replacing dispatch consoles, core equipment, control equipment, mobile and portable radios. Costs will be shared proportionately among all participating agencies in the CCCS and the replacement project is scheduled to begin in 2016/17.

The Orange County Fire Authority cost share for Phases – 2, 3, 4 is calculated at \$19,250,362 and is based on quantity of dispatch consoles, radios, and backbone cost share.

Project Status: Phase – 1 complete; Phases 2 – 4 in planning stages

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------------|---------|---------|---------|--------------------|--------------------|--------------------|
| <i>Project Cost</i> | | | | | | |
| Special Department Expense | | | | \$3,850,072 | \$3,850,072 | \$7,700,144 |
| Total | - | - | - | \$3,850,072 | \$3,850,072 | \$7,700,144 |

Impact on Operating Budget: Annual subscriber costs for new CCCS not yet determined. OCSD/Communications currently determines annual subscriber fees based on total number of active radios times an annual subscription fee per radio.

Fund 133

Vehicle Replacement



This fund is a governmental fund used for the planned replacement of fire apparatus and vehicles. Funding sources for this fund include operating transfers from the Fire General Fund, contributions from cash contract member cities, and proceeds from lease purchase agreements.

ORANGE COUNTY FIRE AUTHORITY
FUND 133 - VEHICLE REPLACEMENT
LIST OF VEHICLES TO BE REPLACED

| Existing Vehicle Number | Current Vehicle Type | Section Assigned to: | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--------------------------------|-------------------------|-------------------------|-----------|---------|---------|---------|---------|
| EMERGENCY VEHICLES | | | | | | | |
| Ambulance | | | | | | | |
| 4035 | Ambulance | Operations | \$135,912 | | | | |
| TBD | Ambulance | Operations | | | | | 152,970 |
| Battalion Chief Command | | | | | | | |
| 2178 | BC Command Vehicle | Operations | 85,000 | | | | |
| 2250 | BC Command Vehicle | Operations | 85,000 | | | | |
| 2251 | BC Command Vehicle | Operations | 85,000 | | | | |
| 2252 | BC Command Vehicle | Operations | 85,000 | | | | |
| 5253 | BC Command Vehicle | Operations | 85,000 | | | | |
| 2254 | BC Command Vehicle | Operations | 85,000 | | | | |
| 2255 | BC Command Vehicle | Operations | | | | 92,882 | |
| 2256 | BC Command Vehicle | Operations | | | | 92,882 | |
| 2257 | BC Command Vehicle | Operations | | | | 92,882 | |
| Pick-Up Utility 3/4 Ton | | | | | | | |
| 3201 | Pick-Up Utility 3/4 Ton | Operations | | | | | 45,680 |
| 3202 | Pick-Up Utility 3/4 Ton | Operations | | | | | 45,680 |
| 3207 | Pick-Up Utility 3/4 Ton | Operations | | | | | 45,680 |
| Dozer Transport Tractor | | | | | | | |
| 5064 | Dozer Transport Tractor | Operations | | | | | 201,188 |
| Leased Vehicles | | | | | | | |
| 2348 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| 2349 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| 2370 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| 2371 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| 2372 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| 2373 | Full-Size - Leased | Exec. Mgmt | | 11,107 | 11,107 | 11,107 | 12,107 |
| Mid-Size 4x4 4-Door | | | | | | | |
| 2159 | Mid-Size 4x4 4-Door | Operations | | 41,224 | | | |
| 2162 | Mid-Size 4x4 4-Door | Operations | | 41,224 | | | |
| 2164 | Mid-Size 4x4 4-Door | Operations | | 41,224 | | | |
| 2165 | Mid-Size 4x4 4-Door | Operations | | 41,224 | | | |
| 2166 | Mid-Size 4x4 4-Door | Operations | | 41,224 | | | |
| 2167 | Mid-Size 4x4 4-Door | Operations | | | 42,460 | | |
| 2168 | Mid-Size 4x4 4-Door | Operations | | | 42,460 | | |
| 2169 | Mid-Size 4x4 4-Door | Operations | | | 42,460 | | |
| 2170 | Mid-Size 4x4 4-Door | Operations | | | 42,460 | | |
| Full-Size 4-Door | | | | | | | |
| 2360 | Full-Size 4-Door | Operations | 50,648 | | | | |
| 2361 | Full-Size 4-Door | Operations | 50,648 | | | | |
| 2362 | Full-Size 4-Door | Operations | 50,648 | | | | |
| 2363 | Full-Size 4-Door | Operations | 50,648 | | | | |
| 2364 | Full-Size 4-Door | Operations | 50,648 | | | | |
| 2365 | Full-Size 4-Door | Corp. Comm. | | 52,167 | | | |
| 2366 | Full-Size 4-Door | Operations | | 52,167 | | | |
| 2367 | Full-Size 4-Door | Operations | | 52,167 | | | |
| 2368 | Full-Size 4-Door | Operations | | 52,167 | | | |
| 2369 | Full-Size 4-Door | Operations | | 52,167 | | | |
| 2374 | Full-Size 4-Door | Operations | | | | | 57,004 |

ORANGE COUNTY FIRE AUTHORITY
FUND 133 - VEHICLE REPLACEMENT
LIST OF VEHICLES TO BE REPLACED

| Existing Vehicle Number | Current Vehicle Type | Section Assigned to: | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|-------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Paramedic Van | | | | | | | |
| 3801 | Paramedic Van | Operations | | 111,693 | | | |
| 3804 | Paramedic Van | Operations | | 111,693 | | | |
| 4027 | Paramedic Van | Operations | | 111,693 | | | |
| 4028 | Paramedic Van | Operations | | 111,693 | | | |
| 4029 | Paramedic Van | Operations | | 111,693 | | | |
| 4105 | Paramedic Van | Operations | | | 115,044 | | |
| 4106 | Paramedic Van | Operations | | | 115,044 | | |
| 4107 | Paramedic Van | Operations | | | 115,044 | | |
| 4108 | Paramedic Van | Operations | | | 115,044 | | |
| 4109 | Paramedic Van | Operations | | | 115,044 | | |
| 4110 | Paramedic Van | Operations | | | | 118,495 | |
| 4111 | Paramedic Van | Operations | | | | 118,495 | |
| 4112 | Paramedic Van | Operations | | | | 118,495 | |
| 4113 | Paramedic Van | Operations | | | | 118,495 | |
| 4114 | Paramedic Van | Operations | | | | 118,495 | |
| Type 1 Engine | | | | | | | |
| 5204 | Type 1 Engine | Operations | 543,106 | | | | |
| 5201 | Type 1 Engine | Operations | 543,106 | | | | |
| 5202 | Type 1 Engine | Operations | 543,106 | | | | |
| 5207 | Type 1 Engine | Operations | | 559,399 | | | |
| 5156 | Type 1 Engine | Operations | | 559,399 | | | |
| 5157 | Type 1 Engine | Operations | | 559,399 | | | |
| 5203 | Type 1 Engine | Operations | | | 576,181 | | |
| 5212 | Type 1 Engine | Operations | | | 576,181 | | |
| 5128 | Type 1 Engine | Operations | | | 576,181 | | |
| 5133 | Type 1 Engine | Operations | | | 576,181 | | |
| 5205 | Type 1 Engine | Operations | | | | 593,466 | |
| 5206 | Type 1 Engine | Operations | | | | 593,466 | |
| 5208 | Type 1 Engine | Operations | | | | 593,466 | |
| 5213 | Type 1 Engine | Operations | | | | 593,466 | |
| 5209 | Type 1 Engine | Operations | | | | | 611,270 |
| 5210 | Type 1 Engine | Operations | | | | | 611,270 |
| 5214 | Type 1 Engine | Operations | | | | | 611,270 |
| 5247 | Type 1 Engine | Operations | | | | | 611,270 |
| Truck - 75' Quint | | | | | | | |
| 5132 | Truck - 75' Quint | Operations | | | 1,127,366 | | |
| TDA 100' Quint | | | | | | | |
| 5251 | TDA 100' Quint | Operations | 1,284,149 | | | | |
| Total Emergency Vehicles | | | \$3,812,619 | \$2,770,259 | \$4,243,792 | \$3,311,627 | \$3,065,924 |
| DEVELOPER FUNDED VEHICLES | | | | | | | |
| Type 1 Engine | | | | | | | |
| Station 56 | Type I Engine | Operations | 643,106 | | | | |
| Total Developer Funded Vehicles | | | \$643,106 | - | - | - | |

ORANGE COUNTY FIRE AUTHORITY
FUND 133 - VEHICLE REPLACEMENT
LIST OF VEHICLES TO BE REPLACED

| Existing Vehicle Number | Current Vehicle Type | Section Assigned to: | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|----------------------------------|---------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| SUPPORT VEHICLES | | | | | | | |
| Full-Size Cargo Van | | | | | | | |
| 4335 | Full-Size Cargo Van | Audio Visual | | 41,641 | | | |
| 4337 | Full-Size Cargo Van | Comm/Workplace | | 41,641 | | | |
| 4338 | Full-Size Cargo Van | Comm/Workplace | | 41,641 | | | |
| 4339 | Full-Size Cargo Van | Comm/Workplace | | 41,641 | | | |
| Mid-Size Cargo Van | | | | | | | |
| 4101 | Mid-Size Cargo Van | Fire Prevention | 30,900 | | | | |
| Minivan Passenger | | | | | | | |
| 4100 | Minivan Passenger | Corp. Comm. | | | 27,863 | | |
| Service Truck - Light | | | | | | | |
| 3007 | Service Truck - Light | Comm/Workplace | | | 60,349 | | |
| Service Truck - Heavy | | | | | | | |
| 5389 | Service Truck - Heavy | Fleet Services | | | | | 66,554 |
| Step Van | | | | | | | |
| 4301 | Step Van | Materiel Mgmt. | 55,344 | | | | |
| 4302 | Step Van | Materiel Mgmt. | 55,344 | | | | |
| 4303 | Step Van | Materiel Mgmt. | | | 57,004 | | |
| 4304 | Step Van | Materiel Mgmt. | | | 57,004 | | |
| Mid-Size 4-Door | | | | | | | |
| 2160 | Mid-Size 4-Door | Fire Prevention | | 35,404 | | | |
| 2161 | Mid-Size 4-Door | EMS | | 35,404 | | | |
| Mid-Size Pickup - 1/2 Ton | | | | | | | |
| 2260 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | 30,239 | | | | |
| 2264 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | 30,239 | | | | |
| 2266 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | 30,239 | | | | |
| 3109 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | 31,146 | | |
| 3150 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | 31,146 | | |
| 3225 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | 31,146 | | |
| 3227 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | 31,146 | | |
| 2340 | Mid-Size Pickup - 1/2 Ton | Community Educ. | | | 31,146 | | |
| 2341 | Mid-Size Pickup - 1/2 Ton | Community Educ. | | | 31,146 | | |
| 2175 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | | 32,080 | |
| 2176 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | | 32,080 | |
| 2171 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | | | 33,042 |
| 2173 | Mid-Size Pickup - 1/2 Ton | Fire Prevention | | | | | 33,042 |
| Pickup General - 1/2 Ton | | | | | | | |
| 2208 | Pickup General - 1/2 Ton | Fleet Services | | 41,527 | | | |
| Pickup General 3/4 Ton | | | | | | | |
| 3465 | Pickup General - 3/4 Ton | Fleet Services | 42,227 | | | | |
| 3466 | Pickup General - 3/4 Ton | Fleet Services | 42,227 | | | | |
| 3467 | Pickup General - 3/4 Ton | Fleet Services | 42,227 | | | | |
| Total Support Vehicles | | | \$358,986 | \$579,783 | \$152,372 | \$66,084 | \$66,554 |
| TOTAL VEHICLES | | | \$4,814,711 | \$3,350,042 | \$4,396,164 | \$3,377,711 | \$3,132,478 |

ORANGE COUNTY FIRE AUTHORITY
FUND 133 - VEHICLE REPLACEMENT
LIST OF VEHICLES TO BE DEFERRED

| Vehicle Number | Current Vehicle Type | Section Assigned to: | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|--------------------------------|----------------------|---------|-----------|----------|-----------|---------|
| EMERGENCY VEHICLES | | | | | | | |
| Mid-Size 4x4 4-Door | | | | | | | |
| 2157 | Mid-Size 4X4 4-Door | Operations | | \$41,223 | | | |
| 2158 | Mid-Size 4X4 4-Door | Operations | | 41,223 | | | |
| 2163 | Mid-Size 4X4 4-Door | Operations | | | 42,460 | | |
| Crew Cab- Swift Water Vehicle | | | | | | | |
| 3008 | Crew Cab - Swift Water Vehicle | Operations | | 70,097 | | | |
| 3041 | Crew Cab - Swift Water Vehicle | Operations | | 70,097 | | | |
| 3043 | Crew Cab - Swift Water Vehicle | Operations | | 70,097 | | | |
| 3044 | Crew Cab - Swift Water Vehicle | Operations | | 70,097 | | | |
| Dozer Transport Tractor | | | | | | | |
| 5063 | Transport Tractor | Operations | | | | 194,372 | |
| Dozer Transport Trailer | | | | | | | |
| 6146 | Trailer-Dozer Transport | Operations | | | | 58,238 | |
| Dump Truck | | | | | | | |
| 5387 | Dump Truck | Operations | | | | 130,372 | |
| Grader | | | | | | | |
| 7208 | Grader | Operations | | | | 242,445 | |
| Pickup Utility - 3/4 Ton | | | | | | | |
| 3204 | Pickup Utility - 3/4 Ton | Operations | | | | 42,009 | |
| 3205 | Pickup Utility - 3/4 Ton | Operations | | | | 42,009 | |
| 3206 | Pickup Utility - 3/4 Ton | Operations | | | | 42,009 | |
| Type 3 Engine | | | | | | | |
| New | Type 3 Engine | Operations | | 424,947 | | | |
| New | Type 3 Engine | Operations | | 424,947 | | | |
| New | Type 3 Engine | Operations | | 424,947 | | | |
| Total Emergency Vehicles | | | - | 1,637,674 | \$42,460 | \$751,454 | - |
| DEVELOPER FUNDED VEHICLES | | | | | | | |
| Tractor -drawn aerial Quint - 100' | | | | | | | |
| New | Station 20 Quint | Operations | | 1,322,673 | | | |
| Total Developer Funded Vehicles | | | - | 1,322,673 | - | - | |
| SUPPORT VEHICLES | | | | | | | |
| Fuel Tender | | | | | | | |
| 5313 | Fuel Tender | Fleet Services | | 208,381 | | | |
| Stakeside | | | | | | | |
| 5388 | Stakeside | Materiel Mgmt | | | | 86,218 | |
| Mid Size 4x4 4-Door | | | | | | | |
| 2267 | Mid Size 4x4 4-Door | Materiel Mgmt | | 36,623 | | | |
| 3101 | Mid Size 4x4 4-Door | Fire Prevention | | 36,623 | | | |

ORANGE COUNTY FIRE AUTHORITY
FUND 133 - VEHICLE REPLACEMENT
LIST OF VEHICLES TO BE DEFERRED

| Vehicle Number | Current Vehicle Type | Section Assigned to: | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|----------------------------------|----------------------|----------------------|---------|--------------------|-----------------|------------------|---------|
| Mid Size Pickup - 1/2 Ton | | | | | | | |
| 2261 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2262 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2263 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2301 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2302 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2303 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2304 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2317 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 2318 | Mid Pickup-1/2 Ton | Property Mgmt | | 31,146 | | | |
| 2319 | Mid Pickup-1/2 Ton | Property Mgmt | | 31,146 | | | |
| 3009 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 3110 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| 3230 | Mid Pickup-1/2 Ton | Fire Prevention | | 31,146 | | | |
| Total Support Vehicles | | | - | 686,525 | - | 86,218 | - |
| TOTAL VEHICLES | | | - | \$3,646,872 | \$42,460 | \$837,672 | - |

Ambulances

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The ambulances are used to transport injured or sick persons to the closest receiving hospital. This project is for the replacement of two ambulances with one new ambulance in 2013/14 and one new ambulance in 2017/18.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for ambulances are four years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2013/14 and 2017/18

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-----------|---------|---------|---------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$135,912 | | | | \$152,970 | \$288,882 |
| Total | \$135,912 | - | - | - | \$152,970 | \$288,882 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Battalion Chief (BC) Command Vehicles

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: Each of the nine battalions is assigned a command vehicle. This vehicle is equipped with cell phones, Mobile Data Computers (MDCs), and a slide-out working station to manage any large incident. This project is for the replacement of nine command vehicles with six new BC command vehicles in 2013/14 and three new BC command vehicles in 2016/17.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for BC command vehicles are five years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2013/14 and 2016/17

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-----------|---------|---------|-----------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$510,000 | | | \$278,646 | | \$788,646 |
| Total | \$510,000 | - | - | \$278,646 | - | \$788,646 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

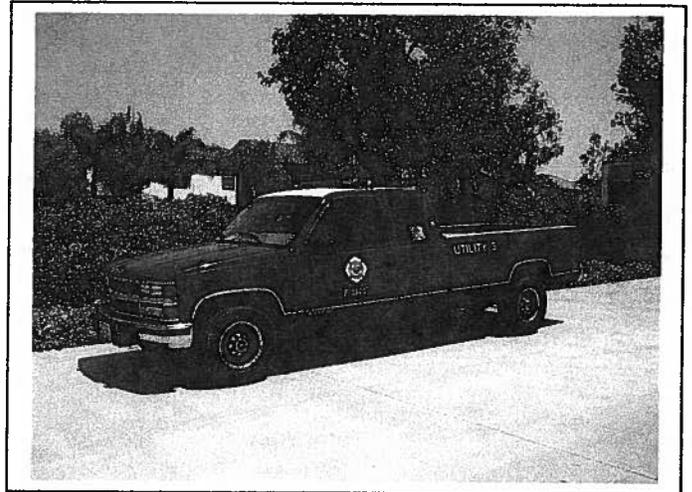
Pickup Utility – ¾ Ton Vehicles

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The pickup utility – ¾ ton units are located at each one of the nine battalions in the department. These vehicles are used for a variety of miscellaneous transportation needs. The units are also used as BC Command vehicles on occasion. This project is for the replacement of three pickup utility – ¾ ton vehicles with three new pickup utility – ¾ ton vehicles.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for pickup utility – ¾ ton vehicles are eight years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2017/18

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|---------|---------|---------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | | | | \$137,040 | \$137,040 |
| Total | - | - | - | - | \$137,040 | \$137,040 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Dozer Transport Tractor

Project Priority: B

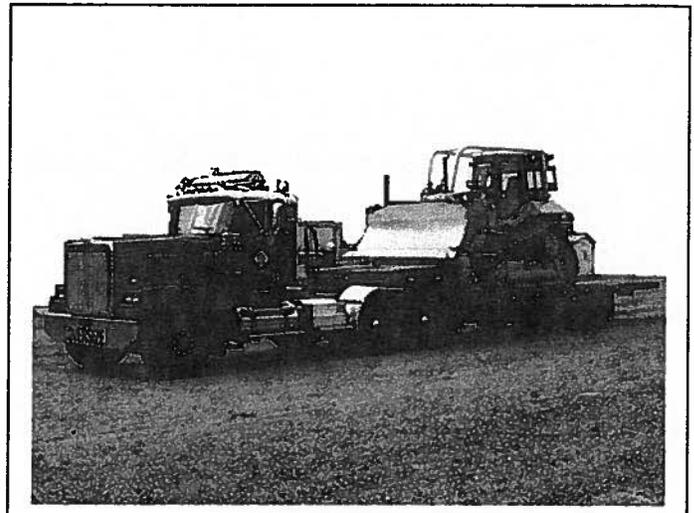
Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The dozer transport tractor is designed for hauling heavy equipment, specifically bull dozers. This project is for the replacement of one dozer transport tractor with one new dozer transport tractor.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager



The age and mileage targets for dozer transport tractors are 15 years and/or 120,000 miles. The projection for the replacement of this vehicle is based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2017/18; deferred from 2011/12 due to low mileage

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|---------|---------|---------|-----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | | | | \$201,188 | \$201,188 |
| Total | - | - | - | - | \$201,188 | \$201,188 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Leased Vehicles Agreements

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The monthly lease payments for six vehicles are based on the following agreements:

- 36 month leases to replace six vehicles, of which four were donated.

Project Status: New leases to begin in 2014/15; deferred from 2013/14. New lease would be projected to start again in 2017/18.

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|----------|----------|----------|----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | \$66,642 | \$66,642 | \$66,642 | \$72,642 | \$272,568 |
| Total | - | \$66,642 | \$66,642 | \$66,642 | \$72,642 | \$272,568 |

Impact on Operating Budget: Because the vehicles are new, many of the repairs would be covered under warranty and therefore may help control maintenance costs in the operating budget.

Mid-Size 4x4 4-Door Vehicles

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The mid-size 4x4, 4-door vehicles are used by staff in the Operations Department that need the versatility of a 4x4 to complete their specific assignments (e.g. safety officers). This project is for the replacement of nine mid-size 4x4 4-door vehicles with five in 2014/15 and four in 2015/16.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for mid-size 4x4 4-door vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur 2014/15 and 2015/16

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|-----------|-----------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | \$206,120 | \$169,840 | | | \$375,960 |
| Total | - | \$206,120 | \$169,840 | - | - | \$375,960 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Full-Size 4-Door Vehicles

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The full-size 4-door vehicle is used by all staff Battalion Chiefs and Division Chiefs. These vehicles are frequently used in Battalion Command situations similar to BC Command Vehicles. This project is for the replacement of eleven full-size 4-door vehicles with eleven new full-size 4-door vehicles as follows: five vehicles in 2013/14, five vehicles scheduled in 2014/15 and one in 2017/18.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for full-size 4-door vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2013/14, 2014/15 and 2017/18

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-----------|-----------|---------|---------|----------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$253,240 | \$260,835 | | | \$57,004 | \$571,079 |
| Total | \$253,240 | \$260,835 | - | - | \$57,004 | \$571,079 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Paramedic Vans

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The paramedic van is an ambulance-type vehicle staffed with two certified paramedics. This unit carries a full complement of paramedic equipment. This project is for the replacement of fifteen paramedic vans with five new paramedic vans in 2014/15, 2015/16 and 2016/17.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for paramedic vans are four years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2014/15, 2015/16 and 2016/17

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|-----------|-----------|-----------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | \$558,465 | \$575,220 | \$592,475 | | \$1,726,160 |
| Total | - | \$558,465 | \$575,220 | \$592,475 | - | \$1,726,160 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Type 1 Engines

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The Type 1 engine carries hose, water, and a pump used primarily for structure fires. Most fire stations contain one or more of these units. This project is for the replacement of eighteen Type 1 engines as follows: three in 2013/14, three in 2014/15, four in 2015/16, four in 2016/17 and four in 2017/18.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for Type 1 engines are 15 years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur annually

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-------------|-------------|-------------|-------------|-----------|--------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$1,629,318 | \$1,678,197 | \$2,304,724 | \$2,373,864 | 2,445,080 | \$10,431,183 |
| Total | \$1,629,318 | \$1,678,197 | \$2,304,724 | \$2,373,864 | 2,445,080 | \$10,431,183 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.



Trucks – 75’ Quint

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The 75’ quint apparatus is more maneuverable than the 90’ quint and is utilized in tighter communities. The 75’ quint is used to provide search and rescue, roof ventilation, elevated water streams, salvage, overhaul operations, and carry all the applicable tools needed for these tasks. This apparatus also has a 75’ aerial platform, 300-gallon water tank, and a fire pump similar to a fire engine. This project is for the replacement of one 75’ quint with one new 75’ quint.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for trucks - 75’ quints are 17 years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2015/16

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|---------|---------|-------------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | | | \$1,127,366 | | | \$1,127,366 |
| Total | - | - | \$1,127,366 | - | - | \$1,127,366 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Tractor-Drawn Aerial (TDA) Quint-100'

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The TDA apparatus is used to provide search and rescue, roof ventilation, elevated water streams, salvage, overhaul operations and carry all the applicable tools needed for these tasks. This apparatus also has a 100' aerial ladder, 300-gallon water tank, and a fire pump similar to a fire engine. This project is for the replacement of one TDA in 2013/14.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for trucks – TDA 100' quints are 17 years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2013/14

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-------------|---------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$1,284,149 | | | | | \$1,284,149 |
| Total | \$1,284,149 | - | - | - | - | \$1,284,149 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget

Type 1 Engine – Developer Funded

Project Priority: A

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The Type 1 engine carries hose, water, and a pump used primarily for structure fires. Most fire stations contain one or more of these units. This apparatus is the same as our replacement Type I engines; however, this apparatus is funded by a local developer and includes hose and other equipment. This funding is for a new vehicle which requires a full complement while a replacement engine does not. This project is for the purchase of one new Type 1 engine for station 56 (Ortega Valley).



Project Status: Purchase to occur in 2013/14

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|----------------------|-----------|---------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Emergency) | \$643,106 | | | | | \$643,106 |
| Total | \$643,106 | - | - | - | - | \$643,106 |

Impact on Operating Budget: The addition of a Type 1 engine to the vehicle fleet is considered a significant, non-recurring expenditure, which will increase annual service and maintenance costs in the operating budget by approximately \$3,500 per year during the five-year warranty period. After the warranty period, the annual service and maintenance costs are expected to increase to approximately \$7,000 per year. Funds are included in the Five-Year Financial Forecast starting in 2014/15 for this engine.

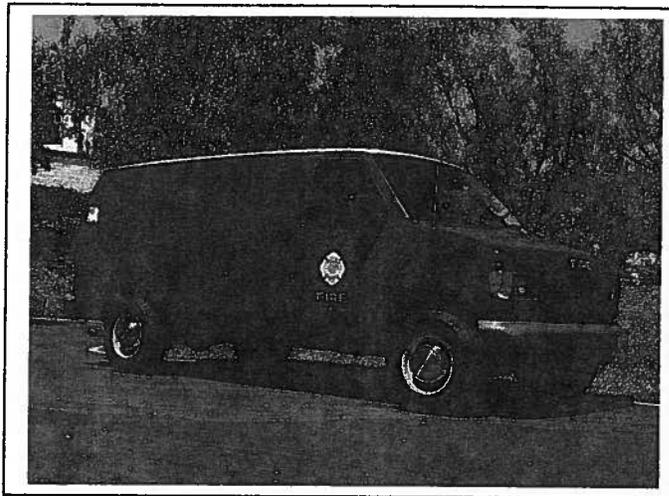
Full-Size Cargo Vans

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These vehicles are used in a number of OCFA's sections such as Information Systems. Depending on the vehicle's application, it can be used for transportation and storage of components specific to each section's needs (i.e., computer components, miscellaneous tools to facilitate repairs or haul specific equipment). This project is for the replacement of four full-size cargo vans with four new full-size cargo vans.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for full-size cargo vans are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2014/15

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|-----------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | \$166,564 | | | | \$166,564 |
| Total | - | \$166,564 | - | - | - | \$166,564 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Mid-Size Cargo Van

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These vehicles are primarily used by Planning and Development to transport plans and materials. This project is for the replacement of one mid-size cargo vans with one new mid-size cargo van.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for mid-size cargo vans are seven years and/or 120,000 miles. The projection for the replacement of these vehicles is based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2013/14

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|----------|---------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | \$30,900 | | | | | \$30,900 |
| Total | \$30,900 | - | - | - | - | \$30,900 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.



Minivan - Passenger

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: Minivan-passenger vehicles are used in sections such as Community Relations and Education Services. These units are utilized by staff to carry educational materials, and also to transport people to and from functions. Project costs include the replacement of one minivan-passenger vehicle with one new minivan-passenger vehicle.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for minivan-passenger vehicles are seven years and/or 120,000 miles. The projection for the replacement of this vehicle is based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2015/16

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|---------|----------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | | \$27,863 | | | \$27,863 |
| Total | - | - | \$27,863 | - | - | \$27,863 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Service Truck - Light Vehicle

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: Service trucks – light vehicles are used for field service throughout the department for both heavy and light apparatus in the fleet for fleet services and communication services. These units are also sent out of county if technicians are requested on large campaign fires. This project is for the replacement of one service truck - light vehicle with one new service truck - light vehicle.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for service truck - light vehicles are 10 years and/or 120,000 miles. The projection for the replacement of this vehicle is based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2015/16

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|---------|----------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | | \$60,349 | | | \$60,349 |
| Total | - | - | \$60,349 | - | - | \$60,349 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

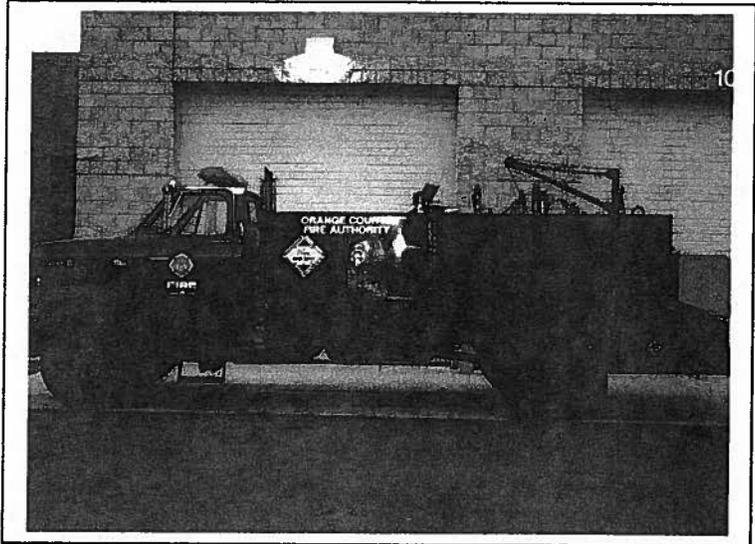
Service Truck – Heavy Vehicle

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The service truck – heavy vehicles carries large quantities of oil and a welder, providing the ability to service vehicles at fire stations or on large fires. This project is for the replacement of one service truck – heavy vehicle with one new service truck – heavy vehicle.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for service truck – heavy vehicles are 18 years and/or 120,000 miles. The projection for the replacement of this vehicle is based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2017/18

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---|---------|---------|---------|---------|----------|-------------|
| <i>Project Cost</i> Vehicles (Support) | | | | | \$66,554 | \$66,554 |
| Total | - | - | - | - | \$66,554 | \$66,554 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Step Vans

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These vehicles are used by the Materiel Management section for the interdepartmental mail delivery and pick-up. Project costs include the replacement of four step vans with four new step vans: two in 2013/14 and two in 2014/15.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for step vans are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2013/14 and 2014/15

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------|-----------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | \$110,688 | \$114,008 | | | | \$224,696 |
| Total | \$110,688 | \$114,008 | - | - | - | \$224,696 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Mid-Size 4-Door Vehicles

Project Priority: B

Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: The mid-size 4-door vehicles are used by management and supervisory staff in a variety of support staff positions that need the versatility of a 4-door vehicle to complete their specific assignments and support the operations of their specific sections. This project is for the replacement of two mid-size 4-door vehicles with two new mid-size 4-door vehicles.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for mid-size 4-door vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur in 2014/15; rebudgeted from 2012/13

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|----------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | \$70,808 | | | | \$70,808 |
| Total | - | \$70,808 | - | - | - | \$70,808 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget.

Mid-Size Pickup-1/2 Ton Vehicles

Project Priority: B

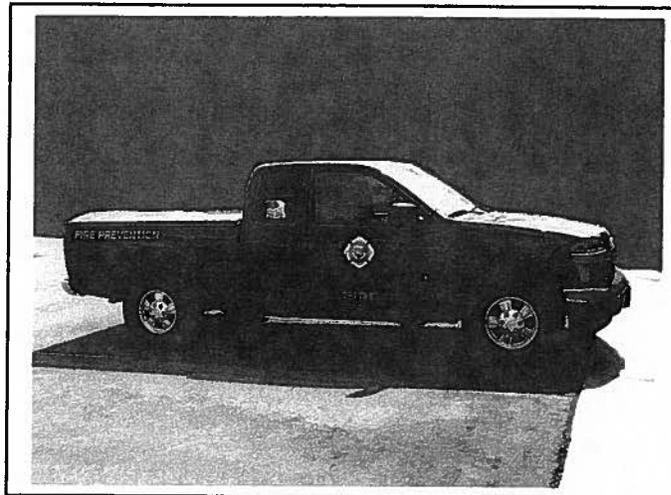
Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These vehicles are primarily used by the Fire Prevention Department to conduct off-site inspections. This project is for the replacement of thirteen mid-size pickup-1/2 ton vehicles with three new mid-size pickup-1/2 ton vehicles in 2013/14, six in 2014/15, two in 2015/16, and two in 2016/17.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager



The age and mileage targets for mid-size pickup-1/2 ton vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchases to occur from 2013/14 to 2016/17

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|----------|-----------|----------|----------|---------|-------------|
| Project Cost | | | | | | |
| Vehicles (Support) | \$90,717 | \$186,876 | \$64,160 | \$66,084 | | \$407,837 |
| Total | \$90,717 | \$186,876 | \$64,160 | \$66,084 | - | \$407,837 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Pickup General – 1/2 Ton Vehicles

Project Priority: B

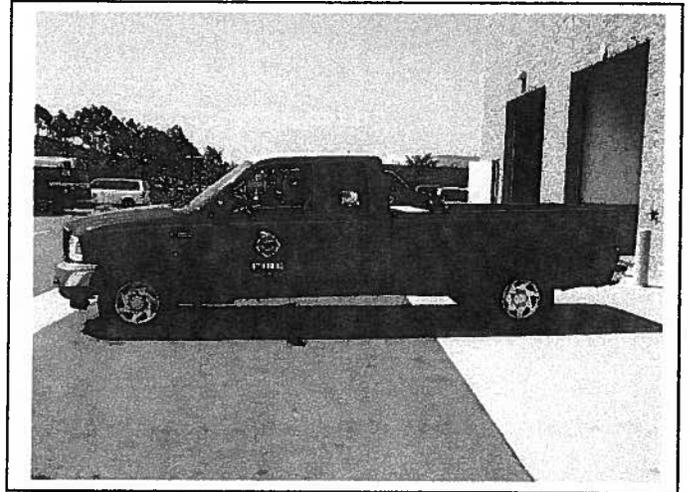
Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These units are utilized by sections that need adequate cargo space. This project is for the replacement of one pickup general – 1/2 ton vehicle with one new pickup general – 1/2 ton vehicle.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager



The age and mileage targets for pickup general – 1/2 ton vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2014/15; deferred from 2011/12

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|----------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | \$41,527 | | | | \$41,527 |
| Total | - | \$41,527 | - | - | - | \$41,527 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Pickup General – 3/4 Ton Vehicles

Project Priority: B

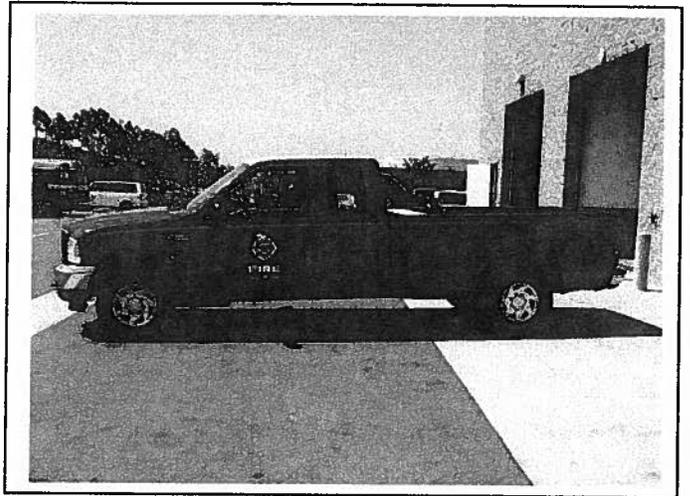
Project Type: Vehicle Replacement

Project Management: Fleet Services Manager

Project Description: These units are utilized by sections that need adequate cargo space. This project is for the replacement of three pickup general – 3/4 ton vehicles with three new pickup general – 3/4 ton vehicles.

Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager



The age and mileage targets for pickup general – 3/4 ton vehicles are seven years and/or 120,000 miles. The projections for the replacement of these vehicles are based on age. However, mileage will be reviewed before a purchase is made, and the purchase may be deferred if warranted.

Project Status: Purchase to occur in 2013/14

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|-----------|---------|---------|---------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | \$126,681 | | | | | \$126,681 |
| Total | \$126,681 | - | - | - | - | \$126,681 |

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces downtime and maintenance costs in the operating budget.

Defibrillator Replacements

Project Priority: B

Project Type: Defibrillator Replacement

Project Management: Emergency Medical Services

Project Description: This significant, non-routine project is the planned replacement of approximately 100 defibrillators every sixth year. Defibrillators are automated devices that deliver a strong electric shock to patients with abnormal heart rhythm in order to restore a normal heart rhythm. The scheduled replacement of defibrillators will be necessary to maintain compliance with projected changes in Treatment Guideline regulations, as well as provide improved technology.

Project Status: Replacements to begin in 2016/17

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|---------------------|---------|---------|---------|-------------|---------|-------------|
| <i>Project Cost</i> | | | | | | |
| Vehicles (Support) | | | | \$3,835,000 | | \$3,835,000 |
| Total | - | - | - | \$3,835,000 | - | \$3,835,000 |

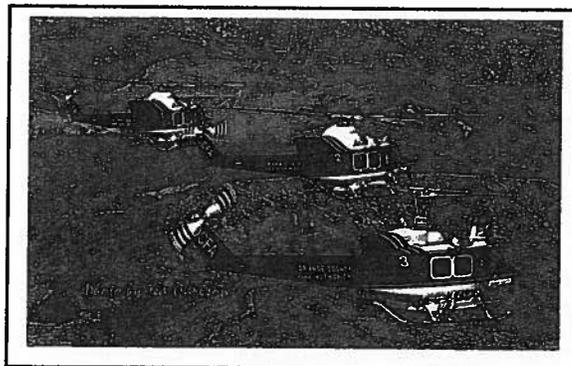
Impact on Operating Budget: There is no impact to the operating budget, which already includes \$20K for repairs that are not covered by the warranty.

Helicopter Components

Project Priority: B

Project Type: Helicopter Component Replacement

Project Management: Special Operations



Project Description: This project will serve two purposes. First, it will purchase aircraft enhancements for our aircraft in the form of FastFins and Flight Directors. The FastFin system will improve the performance of our helicopters when working in hover operations, particularly at higher temperatures. This system will improve the margin of safety as well as the aircraft's performance in these situations during hoist operations where the aircraft are at a hover. The FastFin System compliments the Strakes that were already purchased and are on our aircraft when we purchased them. The OCFA desired to purchase the FastFin System when we originally acquired our 412s but they were not yet approved for the aircraft. The FastFin system now comes on all new Bell 412 aircraft as standard equipment. The FastFin System also improves crosswind performance capabilities and reduces fuel consumption during hoist operations. The system also improves payload (the amount of weight the aircraft carries) and reduces airframe fatigue which can result in lower maintenance costs. The second enhancement will be the purchase of Flight Directors. The Flight Director Control System will improve helicopter handling and augment stability during rescue and firefighting operations. It also reduces pilot workload in poor visibility conditions.

Included in this funding is the second part of this project which is to develop an inventory of vital helicopter replacement components such as critical instruments required for flight operations, cross and skid tubes and tail rotor blades. Also included is the final part of this project for the second five-year inspection and rescue hoist overhaul for Helicopter 1.

The role of the OCFA helicopters is to provide rescue and firefighting capability within the boundaries of Orange County. Helicopters are essential tools in remote rescue situations, wildland response, and flood emergencies.

Project Status: Ongoing

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 5-Yr. Total |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Project Cost</i> | | | | | | |
| Helicopter Components | \$344,000 | \$155,000 | \$124,000 | \$107,000 | \$250,000 | \$980,000 |
| Total | \$344,000 | \$155,000 | \$124,000 | \$107,000 | \$250,000 | \$980,000 |

Impact on Operating Budget: The purchase of the enhancements will lower maintenance costs through reduced airframe fatigue, which will also reduce fuel consumption. The scheduled replacement and immediate availability of helicopter components will ensure immediate aircraft readiness and control of the maintenance costs in the operating budget.

DISCUSSION CALENDAR - AGENDA ITEM NO. 8
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Approval of the Updated OCFA Advanced Life Support (ALS) Paramedic and Basic Life Support (BLS) Medical Supplies Reimbursement Rates**

Summary:

This agenda item is submitted to review and approve the proposed Advanced Life Support (ALS) and Basic Life Support (BLS) Medical Supply reimbursement rates to be effective upon approval by the County Board of Supervisors of the BLS Rate.

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Upon approval of the proposed increase to the maximum BLS emergency 9-1-1 transportation billing rate by the Orange County Board of Supervisors, authorize staff to increase OCFA's Advanced Life Support (ALS) and Basic Life Support (BLS) Medical Supply reimbursement rates by the same percentage increase effective on or after May 24, 2013.

Background:

The County of Orange currently establishes the maximum county-wide billing rates for Advanced Life Support (ALS) and Basic Life Support (BLS) services. These rates are the maximum amounts that ambulance providers can charge patients for 9-1-1 emergency transportation services.

The 9-1-1 Emergency Ambulance Contracts administered by OCFA include the rates at which the OCFA will be reimbursed for paramedic services and expendable medical supplies. Under the terms of the 9-1-1 Emergency Ambulance Contracts, those rates may be updated annually and are limited by the following parameters:

- The reimbursement rates cannot exceed the OCFA's actual cost of providing the services.
- Increases to the reimbursement rates are limited by the annual percentage increase in the BLS maximum emergency 9-1-1 transportation billing rate as updated annually by the County Board of Supervisors.

FY 2013/14 Reimbursement Rates Calculation

The County's 2013/14 proposed increase to the BLS and ALS maximum emergency 9-1-1 transportation billing rate is 2.00% which reflects the adjustments utilizing the Orange County Board of Supervisors (BOS) approved BLS/ALS rate setting policy. The County BOS may approve an adjustment that is different than the proposed rate. This item is tentatively scheduled for the July 17, 2013, Board of Supervisors' meeting. In the event that the County BOS approve the rates, the staff recommendation is to allow the OCFA rates to become effective concurrently with the County BOS effective date, rather than wait for the next OCFA Board of Directors meeting in July 2013.

Below is a chart showing the current and proposed OCFA reimbursement rates, which can be approved by the OCFA Board of Directors, with the effective date pending subsequent approval by the County Board of Supervisors:

| | ALS Paramedic Services | BLS Expendable Medical Supplies |
|---|---------------------------------------|--|
| Current OCFA Maximum Reimbursement Rates | \$269.00 | \$30.05 |
| Proposed Maximum Reimbursement Rates for 2013/14 (per County's calculated 2.00% increase) | \$274.38 | \$30.65 |
| Proposed 2.00% Change in Dollars | \$5.38 | \$0.60 |
| OCFA Full Marginal Cost Recovery 2013/14 | \$446.60 | \$37.31 |
| % Increase Required to Achieve Full Marginal Cost Recovery | 38.56% | 17.85% |

Review of Proposed Reimbursement Rates:

Staff has taken / or will take the following actions to validate the proposed OCFA ALS paramedic and BLS medical supplies reimbursement rates:

- ***Review by an Independent Certified Public Accounting firm*** – The proposed reimbursement rates were developed by OCFA staff based on the FY 2013/14 approved budget for salaries and employee benefits, services and supplies, and equipment and vehicle replacement costs. Those rate calculations were reviewed by Lance Soll & Lunghard (LSL), an independent firm of certified public accountants. LSL determined that the proposed rates are a reasonable representation of the OCFA's marginal costs to provide the services. Although the OCFA's actual costs exceed the amounts to be reimbursed under the proposed rates, LSL determined that those rates have been appropriately limited by the maximum 2.00% increase to the BLS billing rate proposed by the County Healthcare Agency. A copy of LSL's report is included as an Attachment.
- ***Approval by the Orange County Emergency Medical Care Committee (EMCC)*** – OCFA staff will present the proposed rates to the County's Emergency Medical Care Committee. The Committee is comprised of members from the public, representatives from the County Board of Supervisors, and various healthcare providers throughout Orange County. The next EMCC meeting is scheduled for June 28, 2013. As part of the agenda, the Committee will be requested to approve the proposed reimbursement rates prior to the Board of Supervisors meeting.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

If approved, the ALS/BLS Reimbursement rate increases will result in a potential revenue increase to OCFA, over and above the 2013/14 revenue budget, by approximately \$36,000.

Staff Contacts for Further Information:

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(714) 573-6304

Bill Lockhart, Battalion Chief
Emergency Medical Services
billlockhart@ocfa.org
(714) 573-6071

Attachment:

Lance Soll & Lunghard – Independent Accountants’ Report on Applying Agreed-Upon Procedures (Evaluation of Advanced Life Support & Medical Supply reimbursement rates)

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jim Ruane, Finance Manager/Auditor
Orange County Fire Authority
Irvine, California

The County of Orange ("County") establishes the maximum county-wide billing rates for Advanced Life Support ("ALS") and Basic Life Support ("BLS") services. Since 2004, the reimbursement rates have been updated annually at public hearings by the Orange County Board of Supervisors, in conjunction with the adoption of the County's maximum ALS and BLS billing rates. These rates are the maximum amounts that ambulance providers can charge patients for 911 emergency transportation services. The ambulance providers reimburse a portion of the ALS and BLS charges to the Orange County Fire Authority ("OCFA"). Each year, the OCFA calculates the ALS and BLS billing rates to be used for the forthcoming fiscal year. OCFA's paramedic and medical supplies reimbursement rates are approved by the OCFA Board of Directors at a public hearing.

We have performed the procedures enumerated below, which were agreed to by the management of the OCFA, solely to assist the OCFA in evaluating the ALS and BLS Cost Calculations (Calculations) for providing ALS and BLS services to ambulance companies. The calculations are to be used during the fiscal year ending June 30, 2014. The OCFA's management is responsible for the Calculations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants*. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures are as follows:

1. The County's Emergency Medical Services ("EMS") Division determined that the OCFA's reimbursement rates are specific to the OCFA and should not be combined with the countywide maximum billing rate. The County determined that any updates to the OCFA's paramedic and medical supplies reimbursement rates should be approved by the OCFA's Board of Directors, while the County will continue to determine the maximum emergency 911 ambulance transportation billing rates each year. The OCFA contracts with ambulance providers to establish the rates at which the OCFA will be reimbursed for paramedic services and medical supplies. Under the terms of the existing 911 Emergency Ambulance Contracts, those rates may be updated annually and are limited by the following:
 - Reimbursement rates cannot exceed the OCFA's actual cost of providing the services.
 - Reimbursement rates are limited by the annual percentage increase in the BLS maximum emergency 911 transportation billing rate as updated by the Orange County Board of Supervisors.



Jim Ruane, Finance Manager/Auditor
Orange County Fire Authority
Page 2

We obtained the ALS and BLS Cost Calculations to be used for the year ending June 30, 2014. We compared our understanding of the requirements of the Calculations to the formats used by the OCFA to calculate the billing rates.

Findings: We noted no exceptions as a result of our procedures.

2. The ALS Cost Calculation (Exhibit 1) included three sections: non-vehicle costs, vehicle costs and rate comparison. We obtained a copy of the proposed budget for the year ending June 30, 2014, to support certain costs in the non-vehicle section.

Non-vehicle costs reported in the ALS Cost Calculation included amounts for salaries and employee benefits (91.7%), services and supplies (2.4%), and equipment replacement costs (5.9%). For salaries and benefits, we compared those amounts reported on the Calculation to the OCFA's proposed budget for the fiscal year ending June 30, 2014. For services and supplies, we compared the amount reported on the Calculation for EMS Section - Direct to the budget. We noted that amounts reported for equipment replacement costs were for costs associated for cardiac defibrillators/monitors.

For the non-vehicle costs section, we recalculated the \$400.80 reported under the column "Cost per ALS Assessment Transport".

Findings: We noted no exceptions as a result of our procedures.

3. The vehicle costs section of the ALS Cost Calculation included amounts for maintenance and fuel costs and replacement costs.

The maintenance and fuel costs for the thirteen (13) paramedic vans ("vans") was calculated by taking the mileage driven for the year to arrive at the total mileage. The costs were then determined by taking the total mileage and multiplying it by the IRS 2012 mileage rate of \$0.555 to arrive at the maintenance and fuel costs for these vans. We compared the annual mileage reported to a paramedic van mileage log maintained by the OCFA. We ascertained the mathematical accuracy of the \$112,235 reported as maintenance and fuel costs.

The replacement cost was determined by taking the replacement cost of the fifteen (15) vans and dividing it by the estimated useful life of four years for each vehicle. We agreed the reported replacement costs to list of vehicles to be replaced. We ascertained the mathematical accuracy of the \$431,540 reported as replacement costs.

Findings: We noted no exceptions as a result of our procedures.

4. Reimbursement rates cannot exceed the OCFA's actual cost of providing the services. We compared the anticipated cost of OCFA providing these services of \$446.60 to the proposed OCFA ALS reimbursement rate of \$274.38.

Findings: We noted no exceptions as a result of our procedures.

5. The County establishes the maximum county-wide billing rates that ambulance providers can charge patients for 911 emergency transportation services. We compared the proposed County maximum ALS billing rate of \$387.30 to the proposed OCFA ALS reimbursement rate of \$274.38.

Findings: We noted no exceptions as a result of our procedures. The calculated reimbursement rate for ALS did not appear to exceed the OCFA's actual cost of providing the service.



Jim Ruane, Finance Manager/Auditor
Orange County Fire Authority
Page 3

6. The BLS Cost Calculation (Exhibit 2) included an amount for projected 13/14 BLS costs and a projection for the number of transports. It also included a comparison of the projected cost per transport to the maximum BLS billing rate allowed by the County.

For 13/14 BLS costs reported on the BLS Cost Calculation, we compared that amount to the OCFA's proposed budget for the fiscal year ending June 30, 2014. For the number of transports reported on the BLS Cost Calculation, we compared that number to an "Estimated Transports by Pay Category" worksheet prepared by the OCFA.

Findings: We noted no exceptions as a result of our procedures.

7. BLS reimbursement rates are limited by the annual percentage increase in the BLS maximum emergency 911 transportation billing rate as updated by the Orange County Board of Supervisors. That proposed maximum percentage increase of BLS Base Rate is 2.0% per year and the overall increase is 2.0% by the County.

We verified the mathematical accuracy of the cost per transport of \$37.31. We verified that the calculation of the maximum reimbursement rate of \$30.65 was mathematically correct. We verified that the cost per transport met or exceeded the maximum reimbursement rate calculated by the OCFA.

Findings: We noted no exceptions as a result of our procedures. The calculated reimbursement rate for BLS did not appear to exceed the OCFA's actual cost of providing the service.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to the OCFA.

This report is intended solely for the use of the OCFA's management and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose.

Lance, Soll & Loughard, LLP

Brea, California
April 24, 2013

**Orange County Fire Authority
ALS and BLS Cost Calculation
For Fiscal Year 2013-14**

Exhibit 1

Prepared by the OCFA

| | FY 2013-14 Proposed Budget | Cost per ALS Assessment/ Transport |
|---|---|---|
| Salaries and Employee Benefits: | | |
| EMS Section - Direct | \$ 1,148,771 | |
| Paramedic Pay | 7,292,588 | |
| Support Staff | <u>62,439</u> | |
| Subtotal | 8,503,798 | |
| Services and Supplies: | | |
| EMS Section - Direct | 159,240 | |
| Auditing Costs - Ambulance Providers | 25,000 | |
| Legal/Quality Assurance/Admin Costs | <u>40,000</u> | |
| Subtotal | 224,240 | |
| Equipment Replacement Costs (Defibrillators) | <u>547,857</u> * | |
| * annual replacement costs | | |
| Subtotal - Non-Vehicle Costs | 9,275,895 | \$ 400.80 (1) |
| Vehicle Costs: | | |
| Annual Mileage for 13 Paramedic Vans | 202,226 | |
| Average # of Miles per Vehicle | 15,556 | |
| Number of Operating Paramedic Vans | 13 | |
| Mileage Rate as Allowed by IRS (2012) | 0.555 | |
| Maintenance and Fuel Costs (Mileage for 13 Paramedic Vans x IRS Rate) | 112,235 | |
| Replacement - paramedic vans Per 09/10 - 11/12 Budget | 1,726,160 | |
| Estimated Life per Vehicle | 4 years | |
| Replacement Cost | <u>431,540</u> | |
| Subtotal - Vehicle Costs | 543,775 | <u>45.80 (2)</u> |
| TOTAL COSTS | <u>\$ 9,819,670</u> | |
| OCFA ALS MARGINAL COSTS PER ASSESSMENT/ TRANSPORT | | <u>\$ 446.60</u> |
| PROPOSED OCFA ALS REIMBURSEMENT RATE | | \$ 274.38 (3) |
| Ambulance provider administrative and contractual write-off collection costs | | <u>112.92</u> |
| PROPOSED MAXIMUM ALS BILLING RATE | | <u>\$ 387.30 (4)</u> |

- (1) Represents non-vehicle costs, net of \$879,014 (D-1) of Medicare recovery, prorated for the non-vehicle costs, divided by 21,072 (E-1 p.1) applicable ALS transports (billable non-Medicare transports, mutual aid transports and transports for Buena Park, San Clemente, Santa Ana, and Westminster)
- (2) Represents vehicle costs, net of \$48,676 (D-1) of Medicare recovery, prorated for the vehicle costs, divided by 10,809 (E-1 p.1) applicable ALS transports (billable non-Medicare transports and mutual aid transports). Transports in Buena Park, San Clemente, Santa Ana, and Westminster are excluded from this calculation because paramedic van services are not provided in these cities.
- (3) The proposed updated marginal ALS paramedic reimbursement rate is limited to the percentage increase in the BLS Base Rate set by the Orange County Board of Supervisors and cannot exceed the cost of providing the services. The BLS Base Rate increase for FY 2013-14 has been proposed as 2.0%. (F-2)
- (4) Proposed ALS Rate based on BLS increase of 2.0%

2013-14

| | |
|---------------------------------------|----------|
| 2013 Medicare ALS1 Reimbursement Rate | \$ 76.25 |
| Estimated # of Medicare Transports | 11,528 |

| | |
|---|----------------|
| Estimated Medicare Recovery Revenues | 879,010 |
|---|----------------|

Transports:

| | |
|---|--------|
| ALS Transports - Billable, non-Medicare and mutual aid transports, and transports for Buena Park, San Clemente, and Westminster | 21,072 |
| ALS Transports - Billable, non-Medicare transports, and mutual aid transports | 10,809 |

**Orange County Fire Authority
Finance/Cost Accounting
Paramedic Program marginal cost
Medical Supplies Rates**

Exhibit 2

Prepared by the OCFA

| | | 12/13 | | 13/14 | | |
|----------------------|-------------------|------------|------------|---------------|---------------|-----------|
| | | 12/13 rate | % increase | BLS Base Rate | BLS Base Rate | Max Reimb |
| | | | | | % increase | |
| FY 13/14 costs: | \$ 1,805,636 | | | | | |
| transports | <u>48,391</u> | | | | | |
| Per transport | <u>\$ 37.31</u> | \$ 30.05 | 24.17% | \$ 717.07 | \$ 731.41 | 2.00% |
| Recoverable costs | \$ 1,141,785 | | | | | 8.69% |
| Unrecoverable costs: | | | | | | \$32.66 |
| Mutual Aid | 51,045 | | | | | |
| Buena Park | 118,943 | | | | | |
| San Clemente | 80,510 | | | | | |
| Santa Ana | 283,209 | | | | | |
| Westminster | <u>130,137</u> | | | | | |
| Total | <u>1,805,629</u> | | | | | |
| Potential revenue | <u>1,141,785</u> | | | | | |
| Estimated subsidy | <u>\$ 663,844</u> | | | | | |

Actual % of increase based on County's Proposed Rate

NOTE: The proposed updated marginal ALS paramedic reimbursement rate is limited to the percentage increase in the BLS Base Rate set by the Orange County Board of Supervisors and cannot exceed the cost of providing the services.

DISCUSSION CALENDAR - AGENDA ITEM NO. 9
BUDGET AND FINANCE COMMITTEE MEETING
May 8, 2013

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Updated Cost Reimbursement Rates and Methodologies**

Summary:

This agenda item is submitted to review and approve the proposed changes to the Cost Reimbursement rates and methodologies.

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2013, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Adopt the proposed Cost Reimbursement Rate schedules effective July 1, 2013.

Background:

In 2010, a steering committee made up of executives from the United States Forest Service (USFS), CAL FIRE, Cal EMA, FIRESCOPE, and the Association of Contract Counties met with the goal of ensuring that California continues to maintain its effective and efficient emergency response system. The primary concern was establishing a consistent cost reimbursement methodology for calculating average hourly and indirect cost rates (Administrative Rate) that are both fair to the requesting agency, as well as the sending agency, and are defensible, consistent, and transparent to outside auditors and the public.

The Current Methodology:

In 2011, CAL FIRE as the lead fire agency, along with various other state and federal agencies, completed the task of developing a fair, consistent, and equitable reimbursement rate methodology, regardless of the state or federal resource-ordering agency. All the agencies came to consensus that the ordering-agency should not be responsible for paying the fixed benefit cost of the sending agency and agreed to a rate calculation methodology consisting of ***marginal costs only***. The group has continued to meet in an effort to refine the methodology, with the latest meetings occurring in February of 2013. Cal EMA, as the state agency responsible for Fire and Emergency assistance to local, state and federal agencies, incorporated the new methodology into the California Fire Assistance Agreement (CFAA).

The CFAA outlines the methodologies and formulas participating agencies (including OCFA) are to use when developing reimbursement rates. This agreement is now part of the California Fire and Rescue Mutual Aid System Operating Plan.

2013 CalEMA Revision to the Methodology

CalEMA has recently proposed that *non-suppression* personnel, ordered through CFAA only, will require two separate rates. The first rate will be based on the average hourly rate for the job classification including benefits. This rate will be used to reimburse OCFA for the normal regularly scheduled hours an individual is assigned to an incident.

The second rate will be calculated based on the average hourly overtime rate for the job classification including benefits. The rate will be used to calculate the reimbursement amount for overtime hours worked at an incident. A series of workshops are scheduled this year to discuss reimbursement methodologies and specifically this proposed change. This change in methodology will result in additional administrative time to calculate a reimbursement claim.

Proposed Calculation

The proposed OCFA FY 2013/14 rate calculation (Attachment 1A) is consistent with the current CFAA requirements, and is based on the average hourly rate for each classification, times an overtime calculation of 1.5, plus all applicable benefits that are paid on overtime hours only and an Indirect Cost (Administrative) Rate. Based on the agreed-upon calculation, OCFA's updated proposed Indirect Cost Rate for FY 2013/14 is 15.06%, reduced from the current rate of 15.34%. The change is attributable to the addition of frontline personnel from Santa Ana, without adding a proportionate number of support personnel, thereby reducing our administrative overhead cost ratio. In addition, significant cost containment efforts over the last couple of years have helped reduce our overhead rate.

In the event the CalEMA proposal is approved, staff has also developed a second reimbursement schedule (Attachment 1B) with two rates for all non-suppression classifications. Additionally, we added three Hazmat units that will be used in the new Hazardous Materials Incidents Emergency Response Subscription Service Program to the equipment rates schedule (Attachment 2). The average percentage increase in the proposed Personnel Cost Reimbursement Rates is 2.79%. Some of the classifications reflect larger than average rate increases due to the minimal number of individuals in the classification, with those members having received merit increases, in addition to benefit cost increases. Three new classifications, Fire Captain/Hazmat, Fire Apparatus Engineer/Hazmat, and Firefighter/Hazmat were added this year to the rate schedule in order for OCFA to recover costs for those positions when responding to a reimbursable hazmat incident.

Upon approval of the rates, included as Attachment 1 and 2, OCFA Finance/Cost Recovery Section will use these rates for the following activity or program:

Activity or Program

- CAL FIRE, Cal EMA (Formerly OES), Cleveland National Forest (CNF) Fire/Incident response- Generally referred to as Assistance by Hire (ABH) rates
- Fire/Incident Restitution (including Hazmat)
- Special Event Stand-By
- Civil Witness
- Other Miscellaneous Billing

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

The fiscal impact of the new rates will be based on the number of incidents that occur throughout the year and will be incorporated into the mid-year budget update.

Staff Contacts for Further Information:

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Gina Cheung, Accounting Manager
Business Services Department
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(714) 573-6303

Attachments:

1. Proposed Cost Reimbursement Rates – Personnel
 - a. Proposed Cost Reimbursement Rates – All Agencies except CalEMA
 - b. Proposed Cost Reimbursement Rates – CalEMA
2. Proposed Cost Reimbursement Rates –Equipment

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR ALL BILLING AGENCIES (EXCEPT CAL EMA)
PERSONNEL
EFFECTIVE JULY 1, 2013

| CLASSIFICATION | 2012/13 ADOPTED RATE | 2013/14 PROPOSED RATE | \$ CHANGE | % CHANGE |
|--|-------------------------|--------------------------|--------------|-------------|
| SUPPRESSION PERSONNEL | | | | |
| FIRE DIVISION CHIEF | \$144.35 | \$151.35 | \$7.00 | 4.85% |
| FIRE BATTALION CHIEF | \$89.68 | \$92.88 | \$3.20 | 3.57% |
| FIRE CAPTAIN | \$67.76 | \$69.48 | \$1.72 | 2.54% |
| FIRE APPARATUS ENGINEER | \$58.30 | \$60.16 | \$1.86 | 3.19% |
| FIREFIGHTER | \$51.27 | \$53.08 | \$1.81 | 3.54% |
| FC/PARAMEDIC | \$75.60 | \$77.57 | \$1.97 | 2.60% |
| FAE/PARAMEDIC | \$66.15 | \$68.25 | \$2.10 | 3.17% |
| FF/PARAMEDIC | \$59.12 | \$61.17 | \$2.05 | 3.46% |
| FC/HAZMAT | N/A | \$73.52 | N/A | N/A |
| FAE/HAZMAT | N/A | \$64.20 | N/A | N/A |
| FF/HAZMAT | N/A | \$57.13 | N/A | N/A |
| FF/HAZMAT PARAMEDIC | N/A | \$62.52 | N/A | N/A |
| HAND CREW (FIREFIGHTER) | \$32.00 | \$32.11 | \$0.11 | 0.35% |
| HAND CREW SUPERVISOR (STAFF FIRE CAPTAIN) | \$96.20 | \$99.11 | \$2.91 | 3.02% |
| HAND CREW SUPERVISOR (STAFF FIREFIGHTER) | \$72.93 | \$70.89 | (\$2.04) | -2.80% |
| HEAVY FIRE EQUIPMENT OPERATOR | \$96.20 | \$99.11 | \$2.91 | 3.02% |
| FIRE PILOT | \$96.20 | \$99.11 | \$2.91 | 3.02% |
| LEAD FIRE PILOT | N/A | \$97.91 | N/A | N/A |
| NON-SUPPRESSION PERSONNEL | | | | |
| ACCT. SUPPORT SPEC./SR. ACCT. SUPPORT SPEC. | N/A | \$53.77 | N/A | N/A |
| ACCOUNTANT | N/A | \$70.89 | N/A | N/A |
| ASST. FIRE APPARATUS TECHNICIAN | \$49.71 | \$54.65 | \$4.94 | 9.93% |
| ASSISTANT FIRE MARSHALL | N/A | \$91.63 | N/A | N/A |
| ASSISTANT IT MANAGER | N/A | \$126.09 | N/A | N/A |
| COMMUNICATIONS INSTALLER | \$47.88 | \$49.98 | \$2.10 | 4.39% |
| COMMUNICATIONS TECHNICIAN | \$58.67 | \$59.41 | \$0.74 | 1.25% |
| EMERGENCY TRANSPORTATION TECH. | \$22.59 | \$23.16 | \$0.57 | 2.53% |
| FIRE APPARATUS TECHNICIAN | \$57.63 | \$63.43 | \$5.80 | 10.07% |
| FIRE COMM RELATATIONS/ED SUPV (PIO civilian) | \$73.17 | \$74.09 | \$0.92 | 1.26% |
| FIRE COMMUNICATIONS DISPATCHER | \$61.45 | \$62.77 | \$1.32 | 2.15% |
| FIRE COMMUNICATIONS SUPV. | \$69.11 | \$69.98 | \$0.87 | 1.26% |
| FIRE COMMUNITY RELATIONS/EDUC. SPEC. | \$63.63 | \$64.43 | \$0.80 | 1.25% |
| FIRE EQUIPMENT TECHNICIAN | \$43.21 | \$40.35 | (\$2.86) | -6.61% |
| FIRE HELICOPTER TECHNICIAN | \$70.90 | \$74.00 | \$3.10 | 4.37% |
| FLEET SERVICES COORDINATOR | \$72.85 | \$73.76 | \$0.91 | 1.25% |
| FLEET SERVICES SUPERVISOR | \$74.22 | \$77.47 | \$3.25 | 4.38% |
| GENERAL LABORER -EXTRA HELP | \$30.41 | \$31.61 | \$1.20 | 3.94% |
| GIS SPECIALIST | \$61.83 | \$63.57 | \$1.74 | 2.82% |
| INFORMATION TECHNOLOGY ANALYST | N/A | \$88.90 | N/A | N/A |
| MEDICAL DIRECTOR | N/A | \$127.96 | N/A | N/A |
| RESERVE FIREFIGHTER | \$1.86 | \$2.04 | \$0.18 | 9.50% |
| SERVICE CENTER LEAD | \$67.15 | \$67.99 | \$0.84 | 1.26% |
| SERVICE CENTER SUPERVISOR | \$78.69 | \$82.14 | \$3.45 | 4.38% |
| SR. ACCOUNTANT | N/A | \$98.45 | N/A | N/A |
| SR. COMMUNICATIONS TECHNICIAN | \$66.92 | \$67.76 | \$0.84 | 1.25% |
| SR. FIRE APPARATUS TECHNICIAN | \$65.60 | \$68.47 | \$2.87 | 4.38% |
| SR. FIRE COMMUNICATIONS SUPV. | \$76.98 | \$77.95 | \$0.97 | 1.26% |
| SR. FIRE EQUIPMENT TECHNICIAN | \$53.48 | \$52.22 | (\$1.26) | -2.36% |
| SR. FIRE HELICOPTER TECHNICIAN | \$79.14 | \$82.61 | \$3.47 | 4.38% |
| SR. INFO TECHNOLOGY ANALYST | N/A | \$102.96 | N/A | N/A |
| SUPERVISING PURCHASING AGENT | N/A | \$86.79 | N/A | N/A |
| WILDLAND FIRE DEFENSE PLANNER | \$78.83 | \$79.82 | \$0.99 | 1.26% |

Average 2.79%

Notes:

- 1 Included OCFA Proposed Indirect Cost Rate of 15.06%
- 2 Paramedic Rate is average hourly rate for that classification plus 15% of top step firefighter rate - \$4.26
- 3 HazMat Rate is average hourly rate for that classification plus \$2.13. Hazmat Paramedic rate is average hourly rate plus \$4.97.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR CAL EMA BILLINGS
PERSONNEL
EFFECTIVE JULY 1, 2013

| CLASSIFICATION | 2012/13 ADOPTED RATE | 2013/14 PROPOSED REGULAR RATE (1) | \$ CHANGE | % CHANGE | 2013/14 PROPOSED OT RATE (1) | \$ CHANGE | % CHANGE |
|--|-------------------------|--------------------------------------|--------------|-------------|---------------------------------|--------------|-------------|
| SUPPRESSION POSITIONS | | | | | | | |
| FIRE DIVISION CHIEF | \$144.35 | | | | \$151.35 | \$7.00 | 4.85% |
| FIRE BATTALION CHIEF | \$89.68 | | | | \$92.88 | \$3.20 | 3.57% |
| FIRE CAPTAIN | \$67.76 | | | | \$69.48 | \$1.72 | 2.54% |
| FIRE APPARATUS ENGINEER | \$58.30 | | | | \$60.16 | \$1.86 | 3.19% |
| FIREFIGHTER | \$51.27 | | | | \$53.08 | \$1.81 | 3.54% |
| FC/PARAMEDIC | \$75.60 | | | | \$77.57 | \$1.97 | 2.60% |
| FAE/PARAMEDIC | \$66.15 | | | | \$68.25 | \$2.10 | 3.17% |
| FF/PARAMEDIC | \$59.12 | | | | \$61.17 | \$2.05 | 3.46% |
| FC/HAZMAT | N/A | | | | \$73.52 | N/A | N/A |
| FAE/HAZMAT | N/A | | | | \$64.20 | N/A | N/A |
| FF/HAZMAT | N/A | | | | \$57.13 | N/A | N/A |
| FF/HAZMAT PARAMEDIC | N/A | | | | \$62.52 | N/A | N/A |
| HAND CREW (FIREFIGHTER) | \$32.00 | | | | \$32.11 | \$0.11 | 0.35% |
| HAND CREW SUPERVISOR (STAFF FIRE CAPTAIN) | \$96.20 | | | | \$99.11 | \$2.91 | 3.02% |
| HAND CREW SUPERVISOR (STAFF FIREFIGHTER) | \$72.93 | | | | \$70.89 | (\$2.04) | -2.80% |
| HEAVY FIRE EQUIPMENT OPERATOR | \$96.20 | | | | \$99.11 | \$2.91 | 3.02% |
| FIRE PILOT | \$96.20 | | | | \$99.11 | \$2.91 | 3.02% |
| LEAD FIRE PILOT | N/A | | | | \$97.91 | N/A | N/A |
| NON-SUPPRESSION POSITIONS - TWO DIFFERENT RATES | | | | | | | |
| ACCT. SUPPORT SPEC./SR. ACCT. SUPPORT SPEC. | N/A | \$55.35 | N/A | N/A | \$53.77 | N/A | N/A |
| ACCOUNTANT | N/A | \$70.71 | N/A | N/A | \$70.89 | N/A | N/A |
| ASST. FIRE APPARATUS TECHNICIAN | \$49.71 | \$56.70 | \$6.99 | 14.07% | \$54.65 | \$4.94 | 9.93% |
| ASSISTANT FIRE MARSHALL | N/A | \$97.22 | N/A | N/A | \$91.63 | N/A | N/A |
| ASSISTANT IT MANAGER | N/A | \$128.27 | N/A | N/A | \$126.09 | N/A | N/A |
| COMMUNICATIONS INSTALLER | \$47.88 | \$52.51 | \$4.63 | 9.67% | \$49.98 | \$2.10 | 4.39% |
| COMMUNICATIONS TECHNICIAN | \$58.67 | \$60.41 | \$1.74 | 2.97% | \$59.41 | \$0.74 | 1.25% |
| EMERGENCY TRANSPORTATION TECH. | \$22.59 | \$27.91 | \$5.32 | 23.53% | \$23.16 | \$0.57 | 2.53% |
| FIRE APPARATUS TECHNICIAN | \$57.63 | \$64.57 | \$6.94 | 12.05% | \$63.43 | \$5.80 | 10.07% |
| FIRE COMM RELATIONS/ED SUPV (PIO civilian) | \$73.17 | \$73.58 | \$0.41 | 0.56% | \$74.09 | \$0.92 | 1.26% |
| FIRE COMMUNICATIONS DISPATCHER | \$61.45 | \$63.43 | \$1.98 | 3.22% | \$62.77 | \$1.32 | 2.15% |
| FIRE COMMUNICATIONS SUPV. | \$69.11 | \$69.89 | \$0.78 | 1.13% | \$69.98 | \$0.87 | 1.26% |
| FIRE COMMUNITY RELATIONS/EDUC. SPEC. | \$63.63 | \$64.91 | \$1.28 | 2.01% | \$64.43 | \$0.80 | 1.25% |
| FIRE EQUIPMENT TECHNICIAN | \$43.21 | \$43.88 | \$0.67 | 1.55% | \$40.35 | (\$2.86) | -6.61% |
| FIRE HELICOPTER TECHNICIAN | \$70.90 | \$74.05 | \$3.15 | 4.45% | \$74.00 | \$3.10 | 4.37% |
| FLEET SERVICES COORDINATOR | \$72.85 | \$73.29 | \$0.44 | 0.61% | \$73.76 | \$0.91 | 1.25% |
| FLEET SERVICES SUPERVISOR | \$74.22 | \$77.16 | \$2.94 | 3.97% | \$77.47 | \$3.25 | 4.38% |
| GENERAL LABORER -EXTRA HELP | \$30.41 | \$36.03 | \$5.62 | 18.49% | \$31.61 | \$1.20 | 3.94% |
| GIS SPECIALIST | \$61.83 | \$64.15 | \$2.32 | 3.74% | \$63.57 | \$1.74 | 2.82% |
| INFORMATION TECHNOLOGY ANALYST | N/A | \$86.87 | N/A | N/A | \$88.90 | N/A | N/A |
| MEDICAL DIRECTOR | N/A | \$129.95 | N/A | N/A | \$127.96 | N/A | N/A |
| RESERVE FIREFIGHTER | \$1.86 | \$2.75 | \$0.89 | 47.68% | \$2.04 | \$0.18 | 9.50% |
| SERVICE CENTER LEAD | \$67.15 | \$68.11 | \$0.96 | 1.43% | \$67.99 | \$0.84 | 1.26% |
| SERVICE CENTER SUPERVISOR | \$78.69 | \$81.36 | \$2.67 | 3.39% | \$82.14 | \$3.45 | 4.38% |
| SR. ACCOUNTANT | N/A | \$103.38 | N/A | N/A | \$98.45 | N/A | N/A |
| SR. COMMUNICATIONS TECHNICIAN | \$66.92 | \$67.90 | \$0.98 | 1.47% | \$67.76 | \$0.84 | 1.25% |
| SR. FIRE APPARATUS TECHNICIAN | \$65.60 | \$69.09 | \$3.49 | 5.32% | \$68.47 | \$2.87 | 4.38% |
| SR. FIRE COMMUNICATIONS SUPV. | \$76.98 | \$77.04 | \$0.06 | 0.08% | \$77.95 | \$0.97 | 1.26% |
| SR. FIRE EQUIPMENT TECHNICIAN | \$53.48 | \$54.51 | \$1.03 | 1.92% | \$52.22 | (\$1.26) | -2.36% |
| SR. FIRE HELICOPTER TECHNICIAN | \$79.14 | \$81.77 | \$2.63 | 3.32% | \$82.61 | \$3.47 | 4.38% |
| SR. INFO TECHNOLOGY ANALYST | N/A | \$99.47 | N/A | N/A | \$102.96 | N/A | N/A |
| SUPERVISING PURCHASING AGENT | N/A | \$84.96 | N/A | N/A | \$86.79 | N/A | N/A |
| WILDLAND FIRE DEFENSE PLANNER | \$78.83 | \$78.72 | (\$0.11) | -0.15% | \$79.82 | \$0.99 | 1.26% |

Notes:

1 Included OCFA Proposed Indirect Cost Rate of 15.06%

2 Paramedic Rate is average hourly rate for that classification plus 15% of top step firefighter rate - \$4.26

3 HazMat Rate is average hourly rate for that classification plus \$2.13. Hazmat Paramedic rate is average hourly rate plus \$4.97.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT HOURLY RATES
EQUIPMENT
EFFECTIVE July 1, 2013

| DESCRIPTION | 2012/13 RATE | 2013/14 RATE | \$ CHANGE | % CHANGE | SOURCE |
|------------------------------|-----------------|-----------------|--------------|-------------|---------|
| TYPE 1 ENGINE | \$85.00 | \$85.00 | \$0.00 | 0.00% | FEMA |
| TYPE 2 ENGINE | \$70.00 | \$70.00 | \$0.00 | 0.00% | FEMA |
| TYPE 3 ENGINE | \$70.00 | \$70.00 | \$0.00 | 0.00% | FEMA |
| TRUCK/QUINT | \$85.00 | \$85.00 | \$0.00 | 0.00% | FEMA |
| PATROL UNIT | \$70.00 | \$70.00 | \$0.00 | 0.00% | FEMA |
| AIRPORT CRASH UNIT | \$85.00 | \$85.00 | \$0.00 | 0.00% | FEMA |
| CREW CARRYING VEHICLE | \$20.00 | \$20.00 | \$0.00 | 0.00% | FEMA |
| DOZER TRANSPORT | \$65.25 | \$65.25 | \$0.00 | 0.00% | FEMA |
| DOZER | \$65.00 | \$65.00 | \$0.00 | 0.00% | FEMA |
| DOZER TRAILER | \$12.50 | \$12.50 | \$0.00 | 0.00% | FEMA |
| DOZER TENDER | \$20.00 | \$20.00 | \$0.00 | 0.00% | FEMA |
| GRADER | \$58.00 | \$58.00 | \$0.00 | 0.00% | FEMA |
| LOADER | \$40.00 | \$40.00 | \$0.00 | 0.00% | FEMA |
| DUMP TRUCK | \$65.00 | \$65.00 | \$0.00 | 0.00% | FEMA |
| MEDIC UNIT | \$4.54 | \$4.54 | \$0.00 | 0.00% | Cal EMA |
| MECHANIC SERVICE TRUCK | \$3.58 | \$3.58 | \$0.00 | 0.00% | FEMA |
| WATER TENDER | \$31.00 | \$31.00 | \$0.00 | 0.00% | FEMA |
| FUEL TENDER | \$31.00 | \$31.00 | \$0.00 | 0.00% | FEMA |
| AIR/LIGHT UTILITY | \$24.00 | \$24.00 | \$0.00 | 0.00% | FEMA |
| FIRE COMMAND UNIT | \$20.00 | \$20.00 | \$0.00 | 0.00% | FEMA |
| SPORT UTILITY VEHICLE | \$4.00 | \$4.00 | \$0.00 | 0.00% | Cal EMA |
| PICKUP | \$3.58 | \$3.58 | \$0.00 | 0.00% | Cal EMA |
| SEDAN | \$1.96 | \$1.96 | \$0.00 | 0.00% | Cal EMA |
| VAN | \$4.54 | \$4.54 | \$0.00 | 0.00% | Cal EMA |
| HAZMAT (Unit 4) | \$0.00 | \$85.00 | \$85.00 | N/A | FEMA |
| HAZMAT (Unit 79) | \$0.00 | \$85.00 | \$85.00 | N/A | FEMA |
| HAZMAT (Unit 204) | \$0.00 | \$20.00 | \$20.00 | N/A | FEMA |
| HELICOPTER - BELL SUPER HUEY | \$1,582.62 | \$1,582.62 | \$0.00 | 0.00% | OCFA |
| HELICOPTER - BELL 412 | \$3,472.24 | \$3,472.24 | \$0.00 | 0.00% | OCFA |

Effective FY 13/14 Hourly Rates are based on 16 hour daily schedule.