



ORANGE COUNTY FIRE AUTHORITY

AGENDA

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

EXECUTIVE COMMITTEE

REGULAR MEETING

Thursday, September 26, 2013

6:00 P.M.

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, CA 92602

Unless legally privileged, all supporting documentation and any writings or documents provided to a majority of the Executive 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. Unless legally privileged, supporting documents, including staff reports, are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Friday from 8 A.M. to 5 P.M.

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



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

CALL TO ORDER

INVOCATION by OCFA Chaplain Robert Benoun

PLEDGE OF ALLEGIANCE by Director Murray

ROLL CALL

PRESENTATIONS

No items.

PUBLIC COMMENTS

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

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

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

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

MINUTES

- Minutes from the August 22, 2013, Regular Executive Committee Meeting**
Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:
Approve as submitted.

CONSENT CALENDAR

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

- Monthly Investment Report**
Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:
Receive and file the report.

- Fourth Quarter Financial Newsletter – April to June 2013**
Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:
Receive and file the report.

4. Status Update – Refunds for Unverified Hazardous Materials Disclosure Inspections
Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

5. Request for Proposal No. DC1857 - Third Party Workers' Compensation Administration & Managed Care Services

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

Recommended Actions:

1. Approve and authorize the Fire Chief to sign the proposed Professional Services Agreement for TPA and Managed Care Services with CorVel Corporation for the initial term of five years and three additional one-year contract extensions beginning on January 1, 2014.
 - a. Claims Administration pricing will be a fixed cost with annual adjustments for eight years as outlined in the best and final claims administration pricing.
 - b. Managed Care Services will be based on the agreed cost listed in the pricing index; the overall cost of these services is based on the degree of usage (bill review, utilization review and nurse case management) for each category of service.
2. Approve and authorize the Fire Chief to approve the following contracted services up to a 10% increase:
 - a. Managed Care Services Fees (bill review, utilization review and nurse case management)
 - b. Allocated Expenses (attorney fees, copy service fees, interpreter fees are not included in the claims administration fees and will be charged per the contracted rates)

6. September Legislative Reports

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

Recommended Action:

Approve recommended legislative positions.

7. Purchase Order Increase - RBF Consulting for Geographic Information Systems (GIS) Professional Services

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

Recommended Action:

Approve and authorize the Purchasing Manager to increase PO 8018 to RBF Consulting by \$20,300 (280 hours @ \$72.50/hour) for a total amount not-to-exceed \$70,300 and to extend the contract term through November 30, 2013.

END OF CONSENT CALENDAR

DISCUSSION CALENDAR

No items.

REPORTS

8. Chief's Report

COMMITTEE MEMBER COMMENTS

CLOSED SESSION

No items.

ADJOURNMENT – The next regular meeting of the Executive Committee is scheduled for Thursday, October 24, 2013, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby 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 19th day of September 2013.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting	Wednesday, October 9, 2013, 12 noon
Claims Settlement Committee Meeting	Thursday, October 24, 2013, 5:30 p.m.
Executive Committee Meeting	Thursday, October 23, 2013, 6:00 p.m.
Executive Committee Meeting	Thursday, October 24, 2013, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting
Thursday, August 22, 2013
6:00 P.M.**

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Executive Committee was called to order on August 22, 2013, at 6:03 p.m. by Chair Weinberg.

INVOCATION

Chaplain Jeff Hetschel offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Randal Bressette, Laguna Hills
Gene Hernandez, Alternate, Yorba Linda
Trish Kelley, Mission Viejo
Jeffrey Lalloway, Irvine
Al Murray, Tustin
David Shawver, Stanton
Beth Swift, Buena Park
Steven Weinberg, Dana Point

Absent: Pat Bates, County of Orange

Also present were:

Fire Chief Keith Richter
Deputy Chief Craig Kinoshita
Assistant Chief Brian Stephens
Assistant Chief Lori Zeller
Assistant Clerk Lydia Slivkoff

General Counsel David Kendig
Assistant Chief Laura Blaul
Assistant Chief Dave Thomas
Clerk of the Authority Sherry Wentz

PRESENTATIONS

No items.

PUBLIC COMMENTS (X: 12.02A3)

Chair Weinberg opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, provided public comments regarding his belief that the OCFA made misleading statements to the City of Irvine regarding its unfunded liability. He also commented on his opposition to the OCFA Budget and Finance Committee's non endorsement of a proposed salary survey. (F: 11.10H)

Chair Weinberg closed the Public Comments portion of the meeting.

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

Vice Chair Al Murray reported at the August 14, 2013, meeting of the Budget and Finance Committee, the Committee discussed and voted unanimously to send the Monthly Investment Report and Annual Investment Report to the Executive Committee with the recommendation that the Committee approve the items. He also reported the Committee received its monthly status update on the Orange County Employees' Retirement System, a report on Internal Control Review for Procurement/Disbursement Practices related to Cal Cards, Travel-related activities, and Fuel Usage, and also a status report on the Equity Working Group. Finally, Vice Chair Murray indicated the Budget and Finance Committee elected Beth Swift as Chair for the 2013/14 term, and Randal Bressette was elected Vice Chair.

MINUTES

1. Minutes from the June 27, 2013, Regular Executive Committee Meeting (F: 12.02A2)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted to approve the minutes of the June 27, 2013, Executive Committee Meeting. Director Lalloway abstained.

CONSENT CALENDAR

Chair Weinberg pulled Agenda Item Nos. 3 and 4 for public comments. Vice Chair Murray pulled Agenda Item Nos. 7 and 8 for comments.

2. Monthly Investment Report (F: 12.02D2)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to receive and file the report.

Minutes

OCFA Executive Committee Regular Meeting

August 22, 2013 Page - 2

3. Annual Investment Report (F: 11.10D1)

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the Broker/Dealer List, and noted his certification of compliance concerns.

Assistant Treasurer Jane Wong provided an overview of the Annual Investment Report.

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

4. Status Update – Refunds for Unverified Hazardous Materials Disclosure Inspections (F: 18.11A1)

Assistant Chief Zeller provided an update on the refunds for unverified Hazardous Materials Disclosure Inspections.

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the number of years included in the audit.

On motion of Vice Chair Murray and second by Director Kelley, the Executive Committee voted unanimously to receive and file the report.

5. Request for Proposal No. DC1849 Fire Station Alarm System (F: 19.07C)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to:

1. Approve and authorize the Fire Chief to sign the proposed service contract with Westnet for the Fire Station Alarm system integration for a not to exceed amount of \$1,166,916.
2. Approve and authorize the Fire Chief to approve maintenance costs of \$43,677.75 in year two of the contract, with additional maintenance renewal options subject to annual increases based on the Consumer Price Index-Urban (CPI-U) not to exceed 3% per year.

6. Request for Proposal No. MD1861- Janitorial Services (F: 19.07B7)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to approve and authorize the Fire Chief to sign the Professional Services Agreement for janitorial services with DMS Facility Services, LLC for an initial term of one (1) year for a not-to-exceed amount of \$111,984 with the option of four (4) additional one-year extensions subject to increases based on Consumer Price Index (CPI) with a not-to-exceed amount of 3% per year.

7. Blanket Order Increase - Nyquest Consulting (F: 19.08A7)

Vice Chair Murray pulled this item to request a status of the completion of the project.

Assistant Chief Stephens indicated the project was 50% complete.

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to approve and authorize the Purchasing Manager to increase BO1434 to Nyquest Consulting by \$25,000 for a total amount not-to-exceed \$55,000 to provide custom programming, and other professional services relating to the upgrade of the ACS Banner HRMS/Payroll system and underlying Oracle database, and extend the contract term to June 30, 2014.

8. Semi-Annual Report of Claims (F: 18.10D)

Vice Chair Murray pulled this item to request quarterly reports on general liability claims. Director Lalloway requested an expanded report that includes the status and dollar amount of claims, along with settlements or resolutions.

On motion of Vice Chair Murray and second by Director Kelley, the Executive Committee voted unanimously to receive and file the report.

9. Approval of Revised Information Technology Analyst Class Specification and the Deletion of Senior Communications Technician Position (F: 17.03)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to:

1. Adopt the revised class specification of Information Technology Analyst.
2. Amend the Master Position Control list to delete one Senior Communications Technician position and add one Information Technology Analyst position.

10. Approval of Fire Delivery Driver Class Specification and Salary Range and the Deletion of one Fire Equipment Technician Position (F: 17.03)

On motion of Vice Chair Murray and second by Director Bressette, the Executive Committee voted unanimously to:

1. Adopt the new class specification of Fire Delivery Driver.
2. Amend the Classification Salary Table to include the classification of Fire Delivery Driver.
3. Assign a 12-step salary range of \$2,426.67 – \$3,270.80 per month to the classification of Fire Delivery Driver.
4. Amend Master Position Control list deleting one Fire Equipment Technician position and adding one Fire Delivery Driver position.

END OF CONSENT CALENDAR

DISCUSSION CALENDAR

No items.

REPORTS

11. Chief's Report

Fire Chief Richter introduced and congratulated newly promoted Division Chief Greg McKeown who will be assigned to Division 7.

COMMITTEE MEMBER COMMENTS (F: 12.02A6)

Director Shawver thanked OCFA Fire Station 46 and management for a Cancer Relay in the City of Stanton.

Vice Chair Murray thanked Fire Chief Richter and staff for attending the City of Tustin Council meeting where outgoing Chief of Police Scott Jordan was honored for his 35 years of service.

Director Kelley thanked Battalion Chief Kelley Zimmerman and Community Relations and Education staff for providing a drowning prevention program in the City of Mission Viejo. She noted the city has posted a public service announcement for its citizens, and she hoped the OCFA would bring more workshops to pool sites throughout Mission Viejo.

Chair Weinberg thanked Director Kelley for her service as Chair, and indicated he will try to meet her standards.

CLOSED SESSION (F: 12.02A5)

No items.

ADJOURNMENT – Chair Weinberg adjourned the meeting at 6:33 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, September 26, 2013, at 6:00 p.m.

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

CONSENT CALENDAR - AGENDA ITEM NO. 2
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer

SUBJECT: **Monthly Investment Reports**

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.

Committee Action:

At its September 11, 2013, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action:

Receive and file the reports.

Background:

Attached is the final monthly investment report for the month ended July 31, 2013. A preliminary investment report as of August 23, 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 – July 2013/Preliminary Report – August 2013

Orange County Fire Authority Monthly Investment Report



Final Report – July 2013

Preliminary Report – August 2013



Orange County Fire Authority

Final Investment Report

July 31, 2013



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of July 2013, the size of the portfolio decreased from \$154.6 million to \$143.6 million. Major receipts for the month included various apportionments of property taxes, cash contract payments, and intergovernmental agency payments for a total of \$9.7 million. Significant disbursements for the month included primarily biweekly payrolls. The portfolio's balance is expected to decrease further in the following month as there are no major receipts scheduled for August.

In July, the portfolio's yield to maturity (365-day equivalent) was at 0.32%, a slight increase from the prior month as the new fiscal year began. The effective rate of return also increased slightly to 0.32% for the month. The average maturity of the portfolio lengthened by 9 days to 289 days to maturity.

Economic News

The U.S. economic activity appeared to pick up slightly in July 2013, although overall activity remained mixed. Employment conditions pulled back slightly from the prior month. There were a total of 162,000 new jobs created for July while a higher number had been expected for the month. Additionally, there were also downward revisions made to the prior two months for a combined decrease of 26,000 jobs. Unemployment conditions, on the other hand, improved declining to 7.4% from 7.6% previously. The Conference Board Consumer Confidence Index declined slightly in July while the University of Michigan Consumer Sentiment Index came in stronger than expected. Durable goods orders dropped at a steeper rate than expected, and retail sales increased at a softer pace than expected. Housing prices improved, but overall activity continued to be mixed. The NFIB (National Federation of Independent Business) small business optimism index increased in July. Both the non-manufacturing and manufacturing sectors came in stronger than expected and continued expanding in July. Industrial production stayed unchanged, but was weaker than expected. The CPI (Consumer Price Index) increased slightly and was in line with expectations while longer-term inflation expectations remained stable.



BENCHMARK COMPARISON AS OF JULY 31, 2013

<i>3 Month T-Bill:</i> 0.04%	<i>1 Year T-Bill:</i> 0.12%
<i>6 Month T-Bill:</i> 0.07%	<i>LAIF:</i> 0.27%
<i>OCFA Portfolio:</i> 0.32%	

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value-</i>	\$143,622,094	\$154,571,085	\$128,960,411
<i>Yield to Maturity (365 day)</i>	0.32%	0.29%	0.59%
<i>Effective Rate of Return</i>	0.32%	0.30%	0.42%
<i>Days to Maturity</i>	289	283	606



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
July 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	14,926,130.63	14,926,130.63	14,926,130.63	10.44	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,000,000.00	8,998,650.00	8,998,767.50	6.30	127	29	0.170	0.172
Federal Agency Coupon Securities	51,000,000.00	50,517,510.00	51,004,756.83	35.69	1,269	783	0.557	0.565
Federal Agency Disc. -Amortizing	18,000,000.00	17,999,280.00	17,997,827.50	12.59	155	57	0.075	0.076
Local Agency Investment Funds	50,000,000.00	50,013,660.35	50,000,000.00	34.98	1	1	0.263	0.267
Investments	142,926,130.63	142,455,230.98	142,927,482.46	100.00%	481	289	0.311	0.315
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	1,173,757.39	1,173,757.39	1,173,757.39		1	1	0.000	0.000
Accrued Interest at Purchase		1,553.33	1,553.33					
Subtotal		1,175,310.72	1,175,310.72					
Total Cash and Investments	144,099,888.02	143,630,541.70	144,102,793.18		481	289	0.311	0.315

Total Earnings	July 31 Month Ending	Fiscal Year To Date
Current Year	39,368.65	39,368.65
Average Daily Balance	147,026,807.03	147,026,807.03
Effective Rate of Return	0.32%	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 8/2/13
 Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 144,102,793.18
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ (480,699.41)
Total	\$ 143,622,093.77

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
July 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			14,926,130.63	14,926,130.63	14,926,130.63	0.001	0.001	1	
Subtotal and Average			12,638,653.70		14,926,130.63	14,926,130.63	14,926,130.63		0.001	1	
Commercial Paper Disc. -Amortizing											
36959HVV4	806	GEN ELEC CAP CRP		04/25/2013	9,000,000.00	8,998,650.00	8,998,767.50	0.170	0.172	29	08/30/2013
Subtotal and Average			8,998,130.00		9,000,000.00	8,998,650.00	8,998,767.50		0.172	29	
Federal Agency Coupon Securities											
3133ECBT0	799	Federal Farm Credit Bank (Callable anytime)		12/28/2012	9,000,000.00	9,000,270.00	9,000,000.00	0.375	0.375	694	06/26/2015
3133ECM76	809	Federal Farm Credit Bank (Callable anytime)		04/25/2013	9,000,000.00	8,943,300.00	8,994,261.56	0.400	0.424	995	04/22/2016
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	5,877,240.00	6,000,000.00	1.000	0.981	1,469	08/09/2017
313380B22	788	Fed Home Loan Bank (Callable anytime)		08/20/2012	6,000,000.00	6,000,240.00	6,000,000.00	0.450	0.440	749	08/20/2015
3133813R4	800	Fed Home Loan Bank (Callable 8-9-13)		12/20/2012	9,000,000.00	8,739,900.00	9,012,590.79	1.000	0.818	8	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable anytime)		03/15/2013	12,000,000.00	11,956,560.00	11,997,904.48	0.470	0.477	949	03/07/2016
Subtotal and Average			51,004,758.20		51,000,000.00	50,517,510.00	51,004,756.83		0.565	783	
Federal Agency Disc. -Amortizing											
313589MV2	806	Fed Natl Mortg Assoc		04/25/2013	9,000,000.00	8,999,460.00	8,998,580.00	0.080	0.081	71	10/11/2013
313397LR0	807	Freddie Mac		04/25/2013	9,000,000.00	8,999,820.00	8,999,247.50	0.070	0.071	43	09/13/2013
Subtotal and Average			24,384,298.15		18,000,000.00	17,999,280.00	17,997,827.50		0.076	57	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmnt Fund			50,000,000.00	50,013,660.35	50,000,000.00	0.267	0.267	1	
Subtotal and Average			50,000,966.99		50,000,000.00	50,013,660.35	50,000,000.00		0.267	1	
Total and Average			147,026,807.03		142,926,130.63	142,455,230.98	142,927,482.46		0.315	289	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
July 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		07/01/2013	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2013	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2013	888,757.39	888,757.39	888,757.39		0.000	1
SYS361	361	YORK		07/01/2013	250,000.00	250,000.00	250,000.00		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		1,553.33	1,553.33			1
					Subtotal	1,175,310.72	1,175,310.72			
Total Cash and Investments			147,026,807.03		144,099,888.02	143,630,541.70	144,102,793.18		0.315	289

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of August 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	(08/01/2013 - 08/01/2013)	6 Maturities	0 Payments	66,099,888.02	45.87%	66,099,888.02	66,113,548.37
Aging Interval:	1 - 30 days	(08/02/2013 - 08/31/2013)	1 Maturities	0 Payments	9,000,000.00	6.24%	8,998,767.50	8,998,650.00
Aging Interval:	31 - 60 days	(09/01/2013 - 09/30/2013)	1 Maturities	0 Payments	9,000,000.00	6.25%	8,999,247.50	8,999,820.00
Aging Interval:	61 - 91 days	(10/01/2013 - 10/31/2013)	1 Maturities	0 Payments	9,000,000.00	6.24%	8,998,580.00	8,999,460.00
Aging Interval:	92 - 121 days	(11/01/2013 - 11/30/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(12/01/2013 - 12/31/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(01/01/2014 - 01/31/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(02/01/2014 - 05/02/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(05/03/2014 - 08/01/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(08/02/2014 - 07/31/2016)	4 Maturities	0 Payments	36,000,000.00	24.98%	35,992,166.04	35,900,370.00
Aging Interval:	1096 - 1825 days	(08/01/2016 - 07/31/2018)	2 Maturities	0 Payments	15,000,000.00	10.42%	15,012,590.79	14,617,140.00
Aging Interval:	1826 days and after	(08/01/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			15 Investments	0 Payments		100.00	144,101,239.85	143,628,988.37



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, 2013 includes an increase of \$13,660 to the LAIF investment and a decrease of \$(494,359) 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 July 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 June 30, 2013 is 1.000273207. When applied to OCFA's LAIF investment, the fair value is \$50,013,660 or \$13,660 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 July 31, 2013 is included on the following page.



Orange County Fire Authority
Preliminary Investment Report
August 23, 2013



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
August 23, 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	1,873,143.11	1,873,143.11	1,873,143.11	1.49	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,000,000.00	8,999,910.00	8,999,745.00	7.15	127	6	0.170	0.172
Federal Agency Coupon Securities	51,000,000.00	50,313,270.00	51,004,754.57	40.52	1,269	766	0.557	0.565
Federal Agency Disc. -Amortizing	18,000,000.00	17,999,640.00	17,998,690.00	14.30	155	34	0.075	0.076
Local Agency Investment Funds	46,000,000.00	46,012,567.52	46,000,000.00	36.54	1	1	0.263	0.267
Investments	125,873,143.11	125,198,530.63	125,876,332.68	100.00%	546	316	0.345	0.350
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	1,134,626.13	1,134,626.13	1,134,626.13		1	1	0.000	0.000
Accrued Interest at Purchase		1,553.33	1,553.33					
Subtotal		1,136,179.46	1,136,179.46					
Total Cash and Investments	127,007,769.24	126,334,710.09	127,012,512.14		546	316	0.345	0.350

Total Earnings	August 23 Month Ending	Fiscal Year To Date
Current Year	29,387.03	68,755.68
Average Daily Balance	133,203,375.76	141,139,049.27
Effective Rate of Return	0.35%	0.33%

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 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."

[Signature] 8/30/13
 Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 127,012,512.14
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (480,699.41)
Total	\$ 126,531,812.73

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
August 23, 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			1,873,143.11	1,873,143.11	1,873,143.11	0.001	0.001	1	
Subtotal and Average			6,592,369.46		1,873,143.11	1,873,143.11	1,873,143.11		0.001	1	
Commercial Paper Disc. -Amortizing											
36959HVV4	806	GEN ELEC CAP CRP		04/25/2013	9,000,000.00	8,999,910.00	8,999,745.00	0.170	0.172	6	08/30/2013
Subtotal and Average			8,999,277.60		9,000,000.00	8,999,910.00	8,999,745.00		0.172	6	
Federal Agency Coupon Securities											
3133ECBT0	799	Federal Farm Credit Bank(Callable anytime)		12/26/2012	9,000,000.00	8,990,910.00	9,000,000.00	0.375	0.375	671	06/26/2015
3133ECM76	809	Federal Farm Credit Bank(Callable anytime)		04/25/2013	9,000,000.00	8,917,560.00	8,994,396.10	0.400	0.424	972	04/22/2016
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	5,823,980.00	6,000,000.00	1.000	0.981	1,446	08/09/2017
313380B22	788	Fed Home Loan Bank (Callable anytime)		08/20/2012	6,000,000.00	5,996,640.00	6,000,000.00	0.450	0.440	726	08/20/2015
3133813R4	800	Fed Home Loan Bank (Callable 9-9-13)		12/20/2012	9,000,000.00	8,651,180.00	9,012,402.50	1.000	0.818	16	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable anytime)		03/15/2013	12,000,000.00	11,933,040.00	11,997,955.97	0.470	0.477	926	03/07/2016
Subtotal and Average			51,004,755.65		51,000,000.00	50,313,270.00	51,004,754.57		0.565	766	
Federal Agency Disc. -Amortizing											
313589MV2	806	Fed Natl Mortg Assoc		04/25/2013	9,000,000.00	8,999,730.00	8,999,040.00	0.080	0.081	48	10/11/2013
313397LR0	807	Freddie Mac		04/25/2013	9,000,000.00	8,999,910.00	8,999,650.00	0.070	0.071	20	09/13/2013
Subtotal and Average			17,998,277.50		18,000,000.00	17,999,640.00	17,998,690.00		0.076	34	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			46,000,000.00	46,012,567.52	46,000,000.00	0.267	0.267	1	
Subtotal and Average			46,608,695.65		46,000,000.00	46,012,567.52	46,000,000.00		0.267	1	
Total and Average			133,203,375.76		126,873,143.11	126,198,630.63	126,876,332.68		0.350	316	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
August 23, 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		07/01/2013	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2013	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2013	849,626.13	849,626.13	849,626.13		0.000	1
SYS361	361	YORK		07/01/2013	250,000.00	250,000.00	250,000.00		0.000	1
		Average Balance	0.00	Accrued Interest at Purchase		1,553.33	1,553.33			1
				Subtotal		1,136,179.46	1,136,179.46			
		Total Cash and Investments	133,203,375.76		127,007,769.24	126,334,710.09	127,012,512.14		0.350	316

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of August 24, 2013

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

Page 17

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(08/24/2013 - 08/24/2013)	6 Maturities	0 Payments	49,007,769.24	38.59%	49,007,769.24	49,020,336.76
Aging Interval:	1 - 30 days	(08/25/2013 - 09/23/2013)	2 Maturities	0 Payments	18,000,000.00	14.17%	17,999,395.00	17,999,820.00
Aging Interval:	31 - 60 days	(09/24/2013 - 10/23/2013)	1 Maturities	0 Payments	9,000,000.00	7.09%	8,999,040.00	8,999,730.00
Aging Interval:	61 - 91 days	(10/24/2013 - 11/23/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	(11/24/2013 - 12/23/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(12/24/2013 - 01/23/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(01/24/2014 - 02/23/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(02/24/2014 - 05/25/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(05/26/2014 - 08/24/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(08/25/2014 - 08/23/2016)	4 Maturities	0 Payments	36,000,000.00	28.34% *	35,992,352.07	35,838,150.00
Aging Interval:	1096 - 1825 days	(08/24/2016 - 08/23/2018)	2 Maturities	0 Payments	15,000,000.00	11.82%	15,012,402.50	14,475,120.00
Aging Interval:	1826 days and after	(08/24/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			15 Investments	0 Payments		100.00	127,010,958.81	126,333,156.76

*The OCFA's Investment Policy calls for this category not to exceed 25% of the portfolio. This technical non-compliance was primarily caused by a seasonally significant reduction in the portfolio's balance in August which automatically resulted in a higher percentage for this category as its balance remained unchanged from the prior month.



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, 2013 includes an increase of \$13,660 to the LAIF investment and a decrease of \$(494,359) 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
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Fourth Quarter Financial Newsletter – April to June 2013**

Summary:

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

Committee Action:

At its September 11, 2013, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action:

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. The budget now includes adjustments approved by the Board in May. This newsletter includes preliminary FY 2012/13 year-end information. Final fiscal year figures will be submitted to the Board in November following completion of the annual audit and the financial statements.

Revenues and expenditures for the General Fund and the CIP Funds are within budgetary expectations for this fiscal year. Any notable items are detailed in the attached newsletter.

Impact to Cities/County:

Not Applicable

Fiscal Impact:

Not Applicable

Staff Contacts for Further Information:

Lisa Shoemaker, Budget Analyst
lisashoemaker@ocfa.org
(714) 573-6310

Tricia Jakubiak, Treasurer
triciajakubiak@ocfa.org
(714) 573-6301

Attachment:

Fourth Quarter Financial Newsletter – April to June 2013



Orange County Fire Authority

Fourth Quarter Financial Newsletter – April to June 2013

OVERVIEW

This report covers activities for the fourth quarter of fiscal year 2012/13 and provides preliminary year-end results. Budget figures take into account all approved budget changes through the end of the fiscal year.

Preliminary year-end revenues have exceeded budget for the General Fund and the Facilities Replacement Fund. Expenditures for all funds are less than budget.

GENERAL FUND

Preliminary 2012/13 revenues are 100.4% of budget and expenditures are 98.3% as shown below:

General Fund	Budget	YTD Actual	Percent
Revenues	307,696,468	308,982,925	100.4%
Expenditures	292,552,358	287,709,196	98.3%

Top Five Revenues. After including all budget adjustments, our top five revenue sources now represent 95.3% of our total revenue this fiscal year, giving us an excellent picture of our revenue position. All but one of these key revenues performed better than anticipated with exceptions and comments noted as follows:

Top Five Revenues	Budget	YTD Actual	% Rec'd
Property Taxes	181,204,709	181,720,252	100.3%
Cash Contracts	82,751,043	83,002,482	100.3%
Local-CRA pass-thru	16,452,278	17,056,433	103.7%
Fire Prevention Fees	5,099,552	5,302,893	104.0%
State Reimb.	7,810,975	7,340,182	94.0%
Total	293,318,557	294,422,242	100.0%

- **Property tax.** Year-end property tax receipts came in about \$516,000 higher than budget or about 0.3% of budget. This is due primarily to supplemental property taxes coming in higher than mid-year projections.
- **Cash contracts.** The slight overage in Cash Contract revenue is due to the prepayment by Santa Ana for the second annual installment of the start-up costs.
- **Local- Community Redevelopment Agency (CRA) Pass-Through.** The 2012/13 budget included an estimate of \$10.6M for one-time revenue related to the state audit of Low-to Moderate Income Housing funds and Non-Housing Funds. Actual receipts for CRA pass-

throughs for 2012/13 were \$604,000 higher than anticipated.

- **Fire Prevention Fees.** Inspection Services revenue came in \$322,000 below the adjusted budget. This shortfall reflects a temporary stoppage of inspections related to the audit of inspection records. P&D revenue came in \$537,000 higher than the adjusted budget due to increased activity.
- **State Reimbursement.** Estimated revenue due to emergency activity was less than anticipated.

Expenditures. Expenditures are within budget for this fiscal year as summarized by department.

Expenditures By Department	Budget	YTD Actual	% Expended
Executive Mgt.	5,226,070	4,907,777	93.9%
HR Division	4,924,865	4,848,780	98.5%
Operations	235,409,194	232,599,505	98.8%
Fire Prevention	11,869,813	11,450,914	96.5%
Business Services	12,146,351	11,417,414	94.0%
Support Services	22,976,065	22,484,806	97.9%
Total Expenditures	292,552,358	287,709,196	98.3%

Expenditures by type are within budget:

Expenditures by Type	Budget	YTD Actual	% Expended
S&EB	267,772,050	265,194,627	99.0%
S&S	24,448,510	22,348,022	91.4%
Equipment	331,798	166,547	50.2%
Total	292,552,358	287,709,196	98.3%

CIP FUNDS

The following summarizes preliminary year-end revenues and expenditures for the Capital Improvement Program funds. Rebudgets will be requested for some projects not completed during the fiscal year. Any variances are noted as follows:

Facilities Maintenance & Improvement

Fund 122	Budget	YTD Actual	Percent
Revenue	287,913	276,705	96.1%
Expenditures	1,246,449	957,441	76.8%

- Low expenditures reflect the results of cost containment measures taken during the year by deferring projects when possible.

Facilities Replacement

Fund 123	Budget	YTD Actual	Percent
Revenue	166,787	612,571	367.3%
Expenditures	2,270,763	63,862	2.8%

- Actual revenue reflects developer contributions for the Lambert Ranch Project and the Great Park Neighborhoods Project, both in Irvine.
- The escrow for the Station 41 Hangar purchase phase II closed on July 1, 2013 rather than June 30, 2013 as anticipated; the budget for this project of \$2.2 million will be rebudgeted to 2013/14.

Communications & Info. Systems Replacement

Fund 124	Budget	YTD Actual	Percent
Revenue	213,114	136,020	63.8%
Expenditures	8,293,313	5,215,470	62.9%

- Interest revenue came in lower than anticipated.
- Expenditures include over \$3.0M for the CAD portion of the Public Safety System project.
- Rebudgets of \$5.2M for the other two projects (Incident Reporting Application Replacement and IFP) included in the Public Safety System project were processed in May.

Vehicle Replacement

Fund 133	Budget	YTD Actual	Percent
Revenue	2,475,116	2,284,009	92.3%
Expenditures	9,565,449	5,566,811	58.2%

- Expenditures include an encumbrance of \$2.1M for the purchase of four Type-1 engines, purchases of two, grant-funded fire command trailers for \$649,000 and two, grant-funded business class tow vehicles for \$165,000.
- Year-to-date activity also includes the lease-purchase financing agreement payments for the helicopters totaling \$2.5M.

- Rebudgets may be requested for some vehicles to 2013/14 or beyond.

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 Tricia Jakubiak, Treasurer at 573-6301 or Lisa Shoemaker, Budget Analyst at 573-6310.

CONSENT CALENDAR - AGENDA ITEM NO. 4
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Status Update – Refunds for Unverified Hazardous Materials Disclosure Inspections**

Summary:

This item is submitted to provide an update regarding the refunds for unverified hazardous materials disclosure inspections that were authorized by the Board of Directors at the meeting of June 27, 2013.

Recommended Action:

Receive and file the report.

Background:

At the June 27, 2013, meeting of the OCFA Board of Directors, staff was directed to issue refunds to businesses that were billed for hazardous materials disclosure inspections for FY 2005/06 through 2011/12, the performance of which could not be verified during the audit of inspection records. In addition, staff was directed to circulate notice to the affected businesses of the availability of a refund to enable those businesses to claim their refunds.

On Monday, July 8, 2013, letters were mailed to 2,259 affected business owners noticing them of the availability of refunds. Vouchers were included with the letters, along with return-stamped envelopes to facilitate the business owners in claiming their refunds. In addition to mailing letters, the list of the 2,259 affected businesses was posted on the OCFA website on July 15, 2013. As a result, activities to date are as follows:

Date	Quantity of Claims	Dollar Amount
Month of July, 2013	711	\$566,709.80
Month of August, 2013	212	\$170,602.40
Week of September 1-12, 2013	139	\$157,790.00
Cumulative Total-To-Date	1,062	\$895,102.20

Staff will continue to provide updates to the Executive Committee on a monthly basis regarding statistics for the quantity and value of incoming vouchers received.

Impact to Cities/County:

Not Applicable.

Fiscal Impact

The proposed value of refunds, based on the audit of physical inspection records for FY 2005/06 through 2011/12 is \$1,751,044. Because some of the businesses will have moved or closed or for some other reason may not seek the refund, staff does not anticipate that it will receive refund requests for the entire amount. It is difficult to estimate what percentage of the businesses will seek refunds.

Staff Contact for Further Information:

Jim Ruane, Finance Manager/Auditor
Finance Division
jimruane@ocfa.org
(714)573-6304

Attachments:

None

CONSENT CALENDAR - AGENDA ITEM NO. 5
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Request for Proposal No. DC1857 - Third Party Workers' Compensation Administration & Managed Care Services**

Summary:

This agenda item is submitted for approval of a contract for Third Party Workers' Compensation Administration (TPA) and Managed Care Services with CorVel Corporation.

Recommended Actions:

1. Approve and authorize the Fire Chief to sign the proposed Professional Services Agreement for TPA and Managed Care Services with CorVel Corporation for the initial term of five years and three additional one-year contract extensions beginning on January 1, 2014.
 - a. Claims Administration pricing will be a fixed cost with annual adjustments for eight years as outlined in the best and final claims administration pricing.
 - b. Managed Care Services will be based on the agreed cost listed in the pricing index; the overall cost of these services is based on the degree of usage (bill review, utilization review and nurse case management) for each category of service.
2. Approve and authorize the Fire Chief to approve the following contracted services up to a 10% increase:
 - a. Managed Care Services Fees (bill review, utilization review and nurse case management)
 - b. Allocated Expenses (attorney fees, copy service fees, interpreter fees are not included in the claims administration fees and will be charged per the contracted rates)

Background:

In 2001, the OCFA Board of Directors directed staff to review the workers' compensation program and develop alternative risk financing and loss control recommendations; as a result of this study the OCFA became self-insured in 2002. On March 1, 2002, the Executive Committee awarded a contract to Southern California Risk Management Associates (SCRMA), now York Insurance Services Group to provide Third Party Administration Services. This contract, set to expire on June 30, 2013, was extended by Executive Committee on May 23, 2013, for a six month period to provide time for completion of the Request for Proposal (RFP) process.

Workers' Compensation is a complex comprehensive program that requires State regulated administration. Some of the key factors in the selection of a Third Party Administrator include a firm that has the certification, experience, knowledge and provides the services at a cost-effective price.

RFP Preparation

On April 29, 2013, a comprehensive RFP was launched for Third Party Administration and Medical Managed Care services for the OCFA workers’ compensation program; to include bill review, utilization review and nurse case management. These services were evaluated separately as indicated in the RFP. The solicitation defined the contract term as a five-year contract with three additional one-year contract extensions. While most OCFA contracts are limited to five year duration, staff recommended the option for a longer contract term (not to exceed eight years) for the workers compensation program given the complexity and the work involved in changing administrators when required.

RFP Facts & Figures

Department/Section: HR/Risk Management
 Date RFP Issued: April 29, 2013
 Pre-Proposal Date: May 14, 2013
 Proposal Due Date: May 30, 2013
 Number Vendors Notified: 273

Number of Firms attending pre-bid: 17
 Total Number of Proposals Received: *14
 Number of Proposals Received for both: 10
 Number of Proposals for Managed Care: 12
 Number of firms invited for interview: **2

**Two proposals were rejected for failure to meet minimum requirements*
***Both firms interviewed provided bundled services*

Proposal Evaluations

A committee was formed to evaluate the proposals based upon the grading/selection criteria set forth in the RFP. The committee was comprised of the following members, and signed Committee Member Statements were received from all.

Risk Analyst, Workers’ Comp. Manager, Risk Management, OCFA
 Treasurer, Treasury & Financial Planning, OCFA
 Risk Manager, City of Huntington Beach

On May 30, 2013, proposals were received from the following firms:

Offered both TPA and Managed Care Services:

*ACME	Inter-Care Holding
** <i>Adminsure</i>	JT2
AIMS	Keenan
Athens Administration	Tri-Star
** <i>CorVel</i>	York

Offered Managed Care Services Only: Excel (UR Review)	Lien on Me (Bill Review)
*IWCC	Monitor (UR Review)

**Failed to meet RFP Specifications*
***Firms invited for interview for bundled services*

The criteria and weighting used in evaluating the proposals were as follows:

- Method of Approach (25 points)
- Qualification and Experience (20 points)
- Communication and Resources (10 points)
- Partnership and Value-added (20 points)
- Proposed cost (25 points)

The committee members were charged with reviewing the proposals for both claims administration and for managed care independently, and then rating them based on the criteria established in the RFP (Attachment 1). Purchasing staff summarized the evaluation scores for both claims administration and managed care to arrive at an overall ranking (Attachment 2). Admisure and CorVel were the top two ranked firms for both claims administration and managed care. The evaluation resulted in a clear separation between these two firms and the others.

On July 22, 2013, the committee members conducted interviews with Admisure and CorVel.

Final rankings were as follows:

Short-Listed Firms	Evaluator 1	Evaluator 2	Evaluator 3	Total
Claims Admin.				
CorVel	1	1	1	3
Admisure	2	1	2	5
Managed Care				
CorVel	2	1	1	4
Admisure	1	1	2	4

Admisure was not further considered by the review committee after the interview because they did not offer the comprehensive experience necessary to service a fire agency the size of OCFA.

Selected TPA

CorVel was selected because they could deliver comprehensive services in each of the selected areas at a cost savings to the Orange County Fire Authority in addition to their experiences in dealing with large Fire Agencies in a Public Agency setting.

The benefits of selecting this vendor in each of the following areas are as follows:

Administration:

CorVel will bring an immediate cost savings to the workers’ compensation program and will provide enhanced customer service to the OCFA. This will be accomplished through various avenues including:

- Mobile technology that expedites medical care by allowing provider look-up based on location as well as immediate access to claim information in order to start the entry of a claim as quickly as possible

- Real-time access to Dashboard reports by Battalion and Station to assist with injury and illness prevention early in an effort to reduce cost
- Establishing the use of geographically appropriate occupational clinics
- Development of a customized or “carve-out” Medical Provider Network, which should achieve a greater cost reduction in the program
- Enrollment of the “carve-out” MPN with the state on behalf of OCFA
- Assist with creating and implementing an ADR program

Utilization Review:

CorVel’s Medical Director will be working with the OCFA to develop a personalized medical plan to expedite care and reduce cost for unnecessary procedures and delays.

Bill Review:

CorVel’s’ bill review team will monitor and review all billing to ensure compliance with the States’ Official Medical Fee Schedule (OMFS); these reviews will continue to control and reduce claims cost. CorVel has been providing Bill Review services for more than 35 years and has experience in reviewing and reducing medical charges. An analyst reviews every bill at and a specialized professional review team reviews and negotiates complex hospital and surgery bills; all of this to achieve the highest amount of return for the OCFA.

Managed Care:

CorVel will provide a team of nurses that are available nationwide to assist the injured worker that may need specialized care and services. In addition, these nurses will monitor the medical care provided to ensure that it is appropriate and necessary. These efforts will also control cost to the OCFA and provide a customized treatment program for OCFA employees that will increase return to work outcomes.

There are many additional program enhancements offered by CorVel that will provide cost reduction and improved customer service which will provide a comprehensive workers’ compensation program to our employees.

Pricing

For the purposes of comparing the pricing offered, staff utilized the actual workers’ compensation claims administration cost, bill and utilization reviews in completing the cost analysis for the first year.

The projected cost is based on last year’s actual services and usage cost of 7,163 bill reviews and 1,255 utilization reviews for managed care services, but is not reflective of the actual cost of this contract.

The projected cost of the Claims Administration and Managed Care component of the contract; in addition to a one time Transition Fee for the first year are estimated as follows:

- a. Bill Review Services }
 - b. Utilization Review }
 - c. Nurse case Management } - Combined \$ 484,176.00
 - d. TPA Administration - 1st year \$ 565,000.00*
 - e. Transition Fee - 1st year only \$ 15,000.00
- Total \$1,049,176.00

Allocated Expenses (attorney fees, copy service fees, interpreter fees are not included in the claims administration fees and will be charged per the contracted rates)

Negotiations & Results

Purchasing staff conducted exclusive negotiations with CorVel. The initial offer for claims administration was a fixed rated of \$565,000 for the first year with an annual increase of 3% per year. As a result of the best and final offer, CorVel indicated their desire for a long term partnership with OCFA, provided pricing for the additional three years, and adjusted their claims administration pricing as follows:

BAFO – Claims Administration Pricing		
Year	Flat Rate Amount	% Increase
2014	\$565,000*	-
2015	\$581,950	3%
2016	\$599,409	3%
2017	\$611,397	2%
2018	\$623,624	2%
2019	\$636,096	2%
2020	\$642,456	1%
2021	\$648,880	1%

The resulting claims administration pricing reflects a cost savings of \$18,282 in the first five years from the initial proposal.

It is anticipated that OCFA will achieve an annual savings of \$350,000.00 during the first year of this contract over current costs with projected savings in future contract years as well.

The Purchasing and Materials Manager confirms that the proposal and evaluation process was conducted in accordance with the OCFA’s Purchasing Ordinance and all applicable rules and regulations. Based upon the evaluation committee’s recommendation, it is recommended that the contract for TPA and managed care services be awarded to CorVel.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Savings of \$350,000

Staff Contacts for Further Information:

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rhondahaynes@ocfa.org
(714) 573-6048

Debbie Casper, Purchasing Manager
debbiecasper@ocfa.org
(714) 573-6641

Attachments:

1. Request for Proposal (on file in the Office of the Clerk)
2. TPA & Managed Care Scores
3. Professional Service Agreement (on file in the Office of the Clerk)

RFP DC1857 – Third Party Workers’ Comp. Administration & Managed Care – Attachment 2

Results of TPA Evaluation:

	CorVel			AdminSure			JT2		
Bundled Cost Proposal	\$995,455			\$826,162			\$1,058,227		
TPA Cost Proposal	\$565,000			\$618,000			\$561,255		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	25	22	25	25	23	25	25	17	20
B. Qualifications & Experience (20)	20	18	15	20	20	20	20	14	15
C. Comm. & Resources (10)	10	9	5	10	10	10	10	7	8
D. Partnership & Value Added (20)	15	18	20	15	18	20	15	15	20
E. Proposed Costs (25)	24.8	24.8	24.8	22.7	22.7	22.7	25	25	25
Sum of Proposal Ratings	94.8	91.8	89.8	92.7	93.7	97.7	95	78	88
Ranking	3	2	2	4	1	1	2	5	4
Written Sum of Ranking	7			6			11		
Presentation (20)	20	19	20	15	15	10			
Interview/Questions (15)	15	14	15	15	10	5			
Sum of Interview Ratings	35	33	35	30	25	15			
Total of both written & presentation	129.8	124.8	124.8	122.7	118.7	112.7			
Ranking with Presentation	1	1	1	2	1	2			
Initial Sum of Ranking w/Interview	3			5					

Results of TPA Evaluation (continued):

	AIMS			Inter-Care Holding			Keenan		
Bundled Cost Proposal	\$1,473,900			\$1,215,536			\$1,705,085		
TPA Cost Proposal	\$848,832			\$920,849			\$910,000		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	20	20	20	15	21	20	25	19	25
B. Qualifications & Experience (20)	20	16	20	20	15	15	20	17	18
C. Comm. & Resources (10)	10	9	10	10	7	5	10	8	10
D. Partnership & Value Added (20)	20	18	20	10	16	20	20	14	20
E. Proposed Costs (25)	16.5	16.5	16.5	15.2	15.2	15.2	15.4	15.4	15.4
Sum of Proposal Ratings	86.5	79.5	86.5	70.2	74.2	75.2	90.4	73.4	88.4
Ranking	6	4	6	9	6	7	5	7	3
Written Sum of Ranking	16			22			15		

	Athens Administration			Tri-Star			York		
Bundled Cost Proposal	\$1,584,452			\$1,625,001			\$1,380,251		
TPA Cost Proposal	\$973,303			\$842,338			\$619,000		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	20	15	15	25	19	25	25	23	20
B. Qualifications & Experience (20)	20	8	10	15	15	20	20	18	10
C. Comm. & Resources (10)	10	5	10	10	8	10	10	8	5
D. Partnership & Value Added (20)	15	8	20	15	13	15	20	17	15
E. Proposed Costs (25)	14.4	14.4	14.4	16.7	16.7	16.7	22.7	22.7	22.7
Sum of Proposal Ratings	79.4	50.4	69.4	81.7	71.7	86.7	97.7	88.7	72.7
Ranking	8	9	9	7	8	5	1	3	8
Written Sum of Ranking	26			20			12		

Results of Managed Care Evaluation:

	CorVel			AdminSure			JT2		
Cost Proposal	\$430,455			\$168,592			\$496,972		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	25	23	25	25	23	25	20	15	22
B. Qualifications & Experience (20)	20	19	20	20	18	20	20	12	15
C. Comm. & Resources (10)	10	9	10	10	9	5	10	7	10
D. Partnership & Value Added (20)	20	18	20	15	19	15	20	10	20
E. Proposed Costs (25)	10	10	10	25	25	25	8	8	8
Sum of Proposal Ratings	85	79	85	95	94	90	78	52	75
Ranking	2	2	2	1	1	1	5	10	5
Written Sum of Ranking	6			3			20		
Presentation (20)	20	19	20	15	15	10			
Interview/Questions (15)	15	14	15	15	10	10			
Sum of Interview Ratings	35	33	35	30	25	20			
Total of both written & presentation	120	112	120	125	119	110			
Ranking with Presentation	2	1	1	1	1	2			
Initial Sum of Ranking w/Interview	4			4					

Results of Managed Care Evaluation (continued):

	AIMS			Inter-Care Holding			Keenan		
Cost Proposal	\$597,069			\$279,486			\$795,085		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	20	23	25	15	20	20	25	20	25
B. Qualifications & Experience (20)	20	15	20	20	15	20	15	11	15
C. Comm. & Resources (10)	10	9	10	10	8	10	10	6	10
D. Partnership & Value Added (20)	15	18	20	15	16	15	20	10	20
E. Proposed Costs (25)	7	7	7	15	15	15	5	5	5
Sum of Proposal Ratings	72	72	82	75	74	80	75	52	75
Ranking	10	5	3	6	3	4	0	10	5
Written Sum of Ranking	18			13			15		
	Athens Administration			Tri-Star			York		
Cost Proposal /Hours	\$567,149			\$743,270			\$669,251		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	20	15	15	20	20	15	25	20	15
B. Qualifications & Experience (20)	10	8	10	20	18	10	20	18	15
C. Comm. & Resources (10)	5	5	10	9	8	10	10	8	5
D. Partnership & Value Added (20)	10	5	15	20	16	10	20	15	15
E. Proposed Costs (25)	7	7	7	6	6	6	6	6	6
Sum of Proposal Ratings	52	40	57	75	68	51	81	67	56
Ranking	12	12	10	6	6	12	3	8	11
Written Sum of Ranking	34			24			22		
	Lien on Me (Bill Review only)			Excel (UR Only)			Monitor (UR Only)		
Cost Proposal /Hours	\$378,521			\$91,875			\$85,750		
Evaluators	1	2	3	1	2	3	1	2	3
A. Method of Approach (25)	25	18	20	15	15	15	15	16	15
B. Qualifications & Experience (20)	20	18	20	10	14	15	20	17	10
C. Comm. & Resources (10)	10	6	10	5	6	10	5	5	10
D. Partnership & Value Added (20)	20	10	10	10	10	10	10	10	15
E. Proposed Costs (25)	4	4	4	23	23	23	25	25	25
Sum of Proposal Ratings	79	56	64	63	68	73	75	73	75
Ranking	4	9	9	11	6	8	6	4	5
Written Sum of Ranking	22			25			15		

CONSENT CALENDAR - AGENDA ITEM NO. 6
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **September Legislative Reports**

Summary:

This item is submitted to provide an update on State legislative actions affecting OCFA and for approval and adoption of recommended legislative positions.

Recommended Action:

Approve recommended legislative positions.

Background:

The California Legislature is scheduled to adjourn on September 13, 2013, shortly after the writing of this staff report. The attached report from our State Lobbyist covers in greater detail the happenings of the final days.

As the first year of a two year legislative session a number of bills being monitored by OCFA have been held in committee, becoming “two year bills”. In most cases, this reflects the desire by authors or committee staff to continue working on details, concerns or other issues related to those bills. Included in this group are a number of bills that sought to repeal or modify the State Responsibility Area fee. As discussed in prior legislative reports, these bills faced challenges in that they negatively impacted the State budget and the pending legal challenge created a sense of uncertainty about how to deal with the fee.

Also, a number of bills seeking to revive redevelopment or financing tools such as tax increment financing have become two year bills. A bill by Senate Pro Tem Steinberg on this topic does appear to be proceeding for consideration by Governor Brown. The bill, SB 1, is limited to communities seeking to pursue “sustainable development” projects primarily in the areas of transportation and energy. OCFA staff has also been invited along with other agencies to discuss concerns with SB 777 (Calderon), expanding the sale period of fireworks to the New Year’s holiday period. This bill was opposed by OCFA and others, and the OCFA is discussing its concerns with the bill author and sponsors. Staff will continue to discuss potential solutions to the issue of disposing seized fireworks with the author and sponsor, but does not believe expanding the sale period is justified.

While Congress has recently returned there has been little focus on the issues of funding and domestic programs. Focus has obviously been drawn to the issue of Syria. Fortunately, the Appropriations bill dealing with the Department of Homeland Security and funding the National Urban Search and Rescue System is currently set to fund the program at current year levels. Originally, a potential cut in the program was included in the House bill but reversed with support from our partners across the country to secure amendments on the House floor.

Staff is working to schedule a presentation at a future Executive Committee meeting from our federal lobbyists to discuss in greater detail actions taken later this month to address domestic spending levels. Also, we have seen increased interest in dealing with USAR Program issues and possibly an October hearing before the House Transportation and Infrastructure Committee or one of their sub-committees.

The following State bill is recommended for official position by OCFA's Executive Committee:

AB 1373 (Perez)

Subject: Worker's Compensation

Recommended Position: Oppose

Summary: This bill extends indefinitely the time by which a claim for death benefits may be filed for firefighters whose death is as a result of cancer, tuberculosis, Methicillin-resistant Staphylococcus Aureus (MRSA) skin infections, and other blood borne infectious disease. The bill provides a 480 week timeframe, tied to the date of injury, to file a claim; however, the injuries specified in this bill can take several years to arise. Those four conditions are considered presumptive under existing California law and subject to treatment under the workers compensation benefits program.

Under this bill, a firefighter separated from employment that returns years or decades later and files a claim could extend the timeframe for death benefits. The argument with presumptive conditions, such as cancer, has been that firefighters suffer a higher rate and deserve medical treatment to be covered by their employer and the workers compensation system. This bill expands that argument to the provision of death benefits without requiring any evidence that employment or exposure during employment led to death. The question staff has considered in reviewing this bill is whether death benefits are intended to cover employees and their families as a form of life insurance or to compensate families dealing with the costs and impact of an untimely or premature death. According to the American Cancer Society cancer is the second leading cause of death, accounting for one in four deaths. Accepting this national statistic and applying it to OCFA then it is almost certain that a significant number, hundreds if not more, of former employees will at some point be diagnosed with a form of cancer. This bill ensures that costs associated with death benefits will increase, regardless of need or the demonstration of impact by beneficiaries.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

Jay Barkman, Legislative Analyst

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(714) 573-6048

Attachments:

1. Federal Lobbyist Report
2. State Lobbyist Report

Holland & Knight

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Memorandum

September 13, 2013

To: Orange County Fire Authority

From: Lisa Barkovic
Dan Maldonado

Re: September 2013 Federal Update

This report has been prepared for the Orange County Fire Authority by Holland & Knight LLP to provide a federal update on budget and appropriations issues that are of interest to the Authority. The following is a summary Congressional & Administration action thus far in September 2013.

FY 2014 Appropriations Update

Last week, Congress returned to Washington, D.C., from the August recess to continue work on the FY 2014 appropriations to fund the government beyond the end of the fiscal year on September 30.

House Republicans unveiled a "clean" continuing resolution (CR) on September 10. The proposal would extend the current \$988 billion spending levels through December 15, giving Congress a few more months to put together an omnibus appropriations package. As it stands, only 4 bills have passed the House including the Homeland Security appropriations bill which contains funding for programs of interest to OCFA.

Questions remain, though, as House Republicans were planning to simultaneously consider the CR and a separate resolution that would amend the CR to include defunding of ACA language. The vote on passage of the CR would have depended on passage of the ACA resolution. The CR would have then been sent to the Senate, which would have had the option to pass the CR to the president for signature with or without the defunding language included.

House GOP leadership claimed this approach would have allowed all sides to voice their opinion on the ongoing issue. But, several conservative members derided the plan as yet another symbolic vote, or "gimmick," that would not have achieved its desired effect.

This infighting forced House Republicans to cancel a vote on passage of the CR that was expected on September 12 and has held up further progress on the overall goal of funding the government past Sept. 30. GOP leadership aides insist they still hope to act on the CR this week. Additionally, Majority Leader Eric Cantor (R-Va.) has warned members that he may cancel the House recess currently scheduled for the week of September 23 to 27 and continue sessions into that weekend, if necessary. As a reminder, below are proposed funding levels for public safety programs:

PUBLIC SAFETY

FY 2014 FEDERAL FUNDING PRIORITIES

	FY 2013 Enacted*	FY 2014 President's Request	FY 2014 House	FY 2014 Senate
HOMELAND SECURITY BILL				
<i>Federal Emergency Management Agency (FEMA)</i>				
Urban Search & Rescue (USAR)	\$35.13m	\$27.5 m	\$27.5	\$35.18 m
Firefighter Assistance Grants	\$674.3 m	\$670 m	\$675m	\$675m
o Assistance to Firefighter Grants (AFG)	\$674.1m	-**	\$337.5m	\$337.5m
o Staffing for Adequate Fire and Emergency Response	\$337.2m	\$335m	\$337.5m	\$337.5m
Emergency Management Performance Grants	\$349.6 m	\$350 m	\$350m	\$350m
Urban Area Security Initiative	\$499.7	-**	-**	\$614.1 m
State Homeland Security Grant Program	\$346.1	-**	-**	\$453 m
o Operation Stonegarden	\$46.5m	-**	\$50 m	\$46.6m
National Predisaster Mitigation Fund (PDM grants)	\$24.9m	-**	\$30.15m	\$25m
Emergency Food & Shelter	\$119.8m	\$100m	\$120m	\$120m

* Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

** The president's budget request broadly calls for \$1.043 billion for the national preparedness grant program without breaking the request down into specific numbers for particular programs. Similarly, the House bill provides a lump sum of \$1.264 billion in funding for discretionary state and local grants.

Notable Report Language:

Senate Homeland Security Appropriations Bill:

FIRE MITIGATION

Over the last decade, wildfires have caused an average of over \$1,000,000,000 in economic damages, killed over 150 Americans, and destroyed thousands of homes and other structures across the Nation. The six worst wildfire seasons in the past 50 years in the United States have all occurred since 2000. The Committee is concerned that mitigation efforts are not keeping pace with the growing risk. FEMA is directed to provide a report to the Committee no later than 120 days after the date of enactment of this act on the efforts being made to mitigate wildfires including FEMA technical assistance, information

sharing, and grant expenditures for the last 5 years. FEMA should also identify any funding obstacles for wildfires in its current mitigation programs.

GRANTS MANAGEMENT

The Committee includes specific timeframes for grant dollar distribution. For each of the grant programs, funding opportunity announcements shall be issued in 60 days, applicants shall apply within 80 days after announcements are made, and FEMA shall act on the application within 65 days after applications are due.

The Department is encouraged to require State and local governments to address child care services and facilities in response and recovery plans, exercises, and training. Additionally, the Committee is concerned that State and local cybersecurity issues are not receiving the needed resources and attention, and the Department is encouraged to require State and local governments to include their Chief Information Officers in planning efforts.

House Homeland Security Appropriations Bill:

UASI

The Committee is pleased that in fiscal year 2012, the Department began restoring the original intent of the Urban Area Security Initiative (UASI) program by limiting funding to 31 regions. The Committee continues to believe the UASI program should be further focused on the areas under the greatest threat and at the greatest risk, providing funding to a maximum of 25 regions. This will ensure that only those regions at highest-risk of terrorist attack receive funding under UASI in the current fiscal environment.

(H&K is monitoring this for OCFA because funding for the Santa Ana/Anaheim UASI decreased by about \$1.4 million in FY 2013. This needs to be watched in the coming year as OCFA can receive funding through this program).

Reintroduction of FEMA Reauthorization Legislation

Holland & Knight is working with House Transportation & Infrastructure (T&I) Committee to discuss reintroduction of the FEMA Reauthorization legislation. As you will recall, this legislation (HR 2903) was introduced in the last Congress by Rep. Jeff Dunham & Rep. John Mica to authorize funding for the Urban Search & Rescue taskforces. The T&I Committee is planning on reintroducing this legislation later this fall and is coordinating a hearing, "Is The Nation Prepared" prior to reintroduction. H&K is coordinating efforts for the hearing and reintroduction with committee staff, OCFA and the National Representative for taskforces.



Orange County Fire Authority Monthly Report & End of 2013 Legislative Year Update

LEGISLATURE & BILLS OF INTEREST

The 2013 Legislative Year officially concluded on September 13, 2013. Of the nearly 2,500 measures introduced in the 2013 year, 1,090 reached Governor Brown's desk. The Governor has until October 13, 2013 either sign or veto bills.

Following is a list of bills and their final disposition that Nielsen Merksamer tracked for Orange County Fire Authority (OCFA) this session. Noted are the bills on which OCFA took an official position which Nielsen Merksamer actively lobbied on OCFA's behalf.

Voter Threshold - Several proposals allowing a 55 percent vote instead of a two-thirds vote for the passage of local taxes stalled in the Senate Appropriations Committee. Passing out of the Senate Elections and Constitutional Amendments Committee on a 3-0 vote, the bills were sent to Senate Appropriations rather than the Senate Floor for further policy discussions.

SCA 7 (Wolk-D) would allow a 55 percent vote for local tax measures to fund libraries.

SCA 9 (Corbett-D) lowers the vote threshold for special taxes for economic development projects.

SCA 11 (Hancock-D) lowers the vote threshold for special taxes for cities, counties or special districts.

SCA 3 (Leno-D) – ENROLLED TO GOVERNOR - Originally introduced to extend the 55 percent rule to school parcel taxes, SCA 3 was amended on June 20 to deal with open records and open meeting laws. As passed by the legislature, this bill now places a measure on the ballot to amend the California Constitution to require local agencies to comply with the California Public Records Act and the Ralph M. Brown Act, and any subsequent amendments that further the constitutional provisions on public access to public agency meetings and records. This constitutional amendment exempts compliance with PRA and the Brown Act from state mandate claims.

AB 127 (Skinner-D) – ENROLLED TO GOVERNOR – AB 127 requires the State Fire Marshal, in consultation with the Bureau of Electronic and

Appliance Repair, Home Furnishings, and Thermal Insulation, to update the state's building standards relating to fire safety to reduce the need for chemical flame retardants in building insulation while simultaneously ensuring that both fire safety and long-term human and ecological health are properly accounted for without a reduction in overall building fire safety.

AB 701 (Quirk-Silva-D) – ENROLLED TO GOVERNOR – AB 701 repeals an annual allocation of \$50 million in property tax revenues to Orange County, and increase that county's allocation of property tax revenues by \$53 million in 2013-14 through a specified vehicle license fee adjustment amount. Allocations to Orange County in the 2014-15 fiscal year and each year thereafter would be subject to an annual growth factor. As part of this deal, Orange County has agreed to drop its current lawsuit against the state to recover these funds.

AB 704 (Blumenfield-D) – ENROLLED TO GOVERNOR – AB 704 requires the Emergency Medical Services Authority to accept the military education, training, and practical experience of applicants, as specified, towards certification as an Emergency Medical Technician.

AB 1373 (Perez, J. -D) – ENROLLED TO GOVERNOR – AB 1373 extends the statute of limitations in certain circumstances for dependents of public safety officers to file a workers' compensation claim for death benefits. Specifically, this bill requires that workers' compensation claims for death benefits for the dependents of public safety officers be filed within 480 weeks from the date of injury, but no later than one year from the date of death, if the claim involves the following illnesses: Cancer, including leukemia; Tuberculosis; Blood-borne infectious diseases, including methicillin-resistant staphylococcus aureus (MRSA).

AB 1373 is similar to a bill introduced last year, AB 2451, which was vetoed by Governor Brown. AB 2451 was broader in at least two respects: it also applied to death resulting from heart conditions, and it did not limit the cases where the extended limitations period applied to those where the date of injury was during active employment. Rather, AB 2451 would have applied regardless of when the condition arose, resulting in significantly more uncertainty, and significantly more cases, than AB 1373 will.

SB 109 (Corbett - D) – ENROLLED TO GOVERNOR – SB 109 requires limousines operating within the state and modified or extended for purposes of increasing vehicle length and passenger capacity to be equipped with emergency exits no later than January 1, 2016.

SB 338 (Hill - D) – ENROLLED TO GOVERNOR – SB 338 requires owners of limousines offered for hire in California to equip their limousines with two

fire extinguishers, one near the driver and one in the passengers' cabin, as specified. OCFA officially supported this measure.

SB 777 (Calderon, R. -D) – HELD IN ASSEMBLY GOVERNMENTAL ORGANIZATION COMMITTEE - Among other provisions, SB 777 allows for licenses to sell fireworks during the week before New Year's Day and establishes regional collection centers for receiving seized fireworks. SB 777 passed the Senate (31-6). OCFA officially opposed this measure.

SRA FEES

The Board of Equalization (BOE) began mailing fire protection fee assessments to counties beginning with Alameda County on July 19 and culminating with Yuba County on November 1.

The second-year fire prevention assessment was set to be distributed the week of September 4th to those living in State Responsibility Areas (SRA) in Orange County.

Several Republican legislators and others contend the fee is actually a tax and was passed unconstitutionally in the budget with a majority vote instead of a two thirds vote. The Howard Jarvis Taxpayer's Association (HJTA) filed a class action lawsuit against the BOE, CalFIRE, and the Department of Justice challenging the constitutionality of the SRA fee. The State has responded to the lawsuit by filing a demurrer (a type of motion that asks the court to dismiss the case without even hearing evidence) arguing that the case cannot be brought as a class action and that no one is entitled to relief who did not file a timely petition for redetermination with CalFIRE.

In July, a judge ruled HJTA's lawsuit could proceed despite the State's objections and allowed HJTA to file an amended complaint. In response, the State has filed another demurrer. The hearing on this matter has been set for November 21, 2013.

At the request of OCFA, Nielsen Merksamer contacted the BOE to get the list of Orange County homeowners who will receive SRA fee assessments from the State. The purpose of obtaining the list is to allow OCFA to inform homeowners and elected leaders of the pending assessments and to provide OCFA as a resource for information.

SRA LEGISLATION

Several measures calling for the repeal of the law establishing the fire prevention fee did not advance this year. Both AB 23 (Donnelly-R) and AB 124 (Morrell-R) were held under submission in the Assembly Appropriations Committee. SB 17 (Grains, T. - R) failed passage in Senate Natural Resources and Wildlife Committee and re-referred to Senate Rules, where it remains.

Also dead for this year are SB 125 (Gaines, T. - R), which exempts a property owner of a structure that is both within a state responsibility area (SRA) and within the

boundaries of a local fire district that provides fire protection services in the district from the payment of the fire prevention fee, SB 147 (Gaines, T. – R), exempts a property owner of a structure on a parcel that is within a SRA from payment of the fire prevention fee if the property owner has an income of less than 200% of the federal poverty level. AB 929 (Jones – R), requires the Board of Forestry and Fire Protection to develop a procedure for the reimbursement of persons who have paid a fire prevention fee covering a structure that was previously in an area within a SRA, but later determined that it is no longer within the boundaries of an SRA.

Also stalled for this year is AB 468 by Assemblyman Chesbro (D) which repeals the SRA fire fee and replaces it with a statewide insurance surcharge.

CONSENT CALENDAR - AGENDA ITEM NO. 7
EXECUTIVE COMMITTEE MEETING
September 26, 2013

TO: Executive Committee, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Purchase Order Increase - RBF Consulting for Geographic Information Systems (GIS) Professional Services**

Summary:

This item is submitted for authorization to increase Purchase Order 8018 with RBF Consulting to provide Geographic Information System (GIS) Professional Services to supplement in-house GIS staff capacity.

Recommended Action:

Approve and authorize the Purchasing Manager to increase PO 8018 to RBF Consulting by \$20,300 (280 hours @ \$72.50/hour) for a total amount not-to-exceed \$70,300 and to extend the contract term through November 30, 2013.

Background:

In 2006, OCFA Executive Management commissioned an Enterprise GIS Strategic Plan which recommended consolidating responsibility for GIS technology development, creating a GIS Section in the Information Technology Division, and making GIS an enabling technology and vital component of normal daily business activities. Today, the GIS Section is comprised of three (3) full time GIS Specialists, one (1) full time Senior IT Analyst who is assigned to Database analyst activities in the GIS Section, and one (1) full time GIS Manager. The demand for GIS services at OCFA has exploded with total annual requests growing year over year; this includes the new GIS-centric systems and technologies being utilized for the new TriTech CAD system that is currently being implemented. To meet the growing GIS technology demands, the regular staff is augmented by up to seven (7) full time GIS contractors who also report to the GIS Section Manager. The skill-level of the contractors varies from entry-level to highly experienced depending on the project and staff augmentation needs.

OCFA utilizes multiple vendors to provide GIS services enabling Staff with more options to obtain the most cost-effective, appropriately qualified GIS (and IT) contractors when needed. After a formal bid process, RBF Consulting was awarded a contract in April 2008 and has been providing experienced GIS contractors for the past five years. When the fifth and last renewal term for RBF Consulting expired in April 2013, Staff was in the process of writing an RFP for Information Technology (IT) Contract Staffing, so it was decided to add GIS Contract Staffing requirements to this RFP. The IT Contract Staffing RFP was released on June 4, 2013. Twenty two (22) responses were received and Staff is currently reviewing the responses.

Due to the urgent deadlines of the Public Safety Systems TriTech CAD system currently being implemented, there was a need for ongoing GIS Professional Services during the IT Contract Staffing RFP process. Therefore, on June 5, 2013, Executive Management approved a sole source agreement with RBF Consulting for the amount not-to-exceed \$50,000. This amount would provide approximately 4 ½ months of full time contractor expense which is the amount of time estimated for the RFP for IT Contract Staffing to be completed. The evaluation process has taken longer than anticipated due to the large number of responses received and other projects. Staff expects to finalize the evaluation and award process and present a recommendation to the Executive Committee for award on October 24, 2013.

Increasing the funding for this contract will allow critical GIS work on the CAD system to continue uninterrupted while the new IT Staffing contracts are being finalized, and provide a one (1) month timeframe after the new contracts are awarded for transition of services if necessary.

Impact to Cities/County:

None.

Fiscal Impact:

\$100,000 included in current 2013/14 General Fund budget for GIS & Mapping Professional and Specialized Services.

Staff Contact for Further Information:

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Attachments:

None