



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Thursday, January 23, 2014

6:30 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 Board of Directors 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 Board, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to being heard before the Board. Speaker Forms are available at the counters of both entryways of the Board Room.



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

CALL TO ORDER

INVOCATION by OCFA Chaplain Robert Benoun

PLEDGE OF ALLEGIANCE by Director Baker

ROLL CALL

ADMINISTRATION OF OATH OF OFFICE FOR THE NEWLY APPOINTED BOARD MEMBERS

PRESENTATIONS

1. **Fire Chief's Action Plan**

Submitted by: Keith Richter, Fire Chief

Recommended Action:

Receive presentation.

PUBLIC COMMENTS

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

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

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

CLOSED SESSION

CS1. **CONFERENCE WITH LABOR NEGOTIATOR**

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

Authority: Government Code Section 54957.6

CLOSED SESSION REPORT

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

MINUTES

2. **Minutes from November 21, 2013 (A), Board of Directors Regular Meeting, and Minutes from the December 11, 2013 (B), Board of Directors Special Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

CONSENT CALENDAR**3. Amendments to Board Rules of Procedure**

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

Recommended Actions:

1. Authorize the establishment of a Human Resources (HR) Committee as an additional standing committee to serve in an advisory capacity to staff and the Board of Directors.
2. Approve the submitted HR Committee Protocols.
3. Approve the proposed Resolution to amend the Board Rules of Procedure to reflect the additional standing committee, and other proposed changes.

4. Management Partners' Organizational Structure and Management System Review

Submitted by: Keith Richter, Fire Chief

Recommended Action:

Receive and file the report.

5. Update on the OCFA 911 Emergency Ambulance Contract Phase 1 Request for Proposals

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

Recommended Action:

Direct staff to continue working with Orange County Emergency Medical Services to assist with the OCFA 911 Emergency Ambulance Contract Request for Proposal process, as authorized by the State and/or County.

6. Award of Construction Contract for New Fire Station 56, Sendero Ranch

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

Recommended Actions:

1. Accept the design-build proposal submitted by Erickson-Hall Contractors.
2. Award the contract for design and construction of Fire Station 56 to Erickson-Hall Construction for a guaranteed maximum cost not to exceed \$5,000,000 dollars.
3. Authorize a 5% construction contingency of \$250,000 dollars.

7. Approval of Agreement for Transfer or Purchase of Equipment/Services or for Reimbursement of Training Costs for FY 2012 Urban Areas Security Initiative (UASI) Between the City of Santa Ana and the Orange County Fire Authority

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Recommended Actions:

1. By Resolution approve and authorize the Fire Chief to execute the Agreement to Transfer or Purchase Equipment/Services and for Reimbursement of Training Costs for FY 2013 Urban Areas Security Initiative between the City of Santa Ana and the Orange County Fire Authority.

2. Direct staff to include \$8,535.00 in increased revenue and appropriations in the FY 13/14 budget, which will be allocated to reimburse OCFA for preapproved training. Any unspent funds will be re-budgeted to the next fiscal year.

8. Adoption of OCFA 2014 Legislative Policy Guidelines

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

Recommended Actions:

Adopt the OCFA 2014 Legislative Policy Guidelines and direct OCFA staff to initiate procedures to implement those policies.

9. FY 2013/14 Mid-Year Financial Report

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

Recommended Actions:

1. Direct staff to implement all necessary budget adjustments to allocate \$3,000,000 of the \$6,134,590 of available unencumbered funds identified in the 2012/13 annual financial audit to the OCFA's Unfunded Actuarial Accrued Liabilities with the Orange County Employees Retirement System, and allocate any remaining funds to the OCFA's Capital Improvement Program for capital needs.
2. Direct staff to implement all necessary budget adjustments to issue the 2013/14 equity payment to the City of Irvine in the amount of \$5,976,162, in accordance with the Second Amendment to the Amended Joint Powers Agreement.
3. Direct staff to implement necessary budget adjustments to unfreeze specified positions for the Community Risk Reduction and Business Services Departments, as explained herein.
4. Direct staff to return to the Board of Directors in March 2014, for approval of all additional budget adjustments discussed herein for the FY 2013/14 budget.

DISCUSSION CALENDAR

No items.

PUBLIC HEARING(S)

No items.

REPORTS

10. Chief's Report

BOARD MEMBER COMMENTS

ADJOURNMENT - The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for February 27, 2014, at 6:30 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 Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 16th day of January 2014.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting	Wednesday, February 5*, 2014, 12 noon
Claims Settlement Committee Meeting	Thursday, February 27, 2014, 5:00 p.m.
Executive Committee Meeting	Thursday, February 27, 2014, 5:30 p.m.
Board of Directors Meeting	Thursday, February 27, 2014, 6:30 p.m.

*Date of meeting moved forward by one week, due to holiday.

There are no supportive materials
for Presentation Item No. 1

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, November 21, 2013
6:30 P.M.**

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on November 21, 2013, at 8:03 p.m. by Vice Chair Al Murray.

INVOCATION

Chaplain Warren Johnson offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Joseph Aguirre, Placentia	Randal Bressette, Laguna Hills
Rick Barnett, Villa Park	Pat Bates, County of Orange
Carol Gamble, Rancho Santa Margarita	Gerard Goedhart, La Palma
Noel Hatch, Laguna Woods	Gene Hernandez, Yorba Linda
Robert Johnson, Cypress	Trish Kelley, Mission Viejo
Warren Kusumoto, Los Alamitos	Jeffrey Lalloway, Irvine
Jerry McCloskey, Laguna Niguel	Kathryn McCullough, Lake Forest
Al Murray, Tustin	Angelica Amezcua, Alternate, Santa Ana
David Shawver, Stanton	David Sloan, Seal Beach
Todd Spitzer, County of Orange	Tri Ta, Westminster
Phillip Tsunoda, Aliso Viejo	Steven Weinberg, Dana Point

Absent: Sam Allevato, San Juan Capistrano	Bob Baker, San Clemente
Elizabeth Swift, Buena Park	

Also present were:

Fire Chief Keith Richter	General Counsel Dave Kendig
Deputy Chief Craig Kinoshita	Assistant Chief Brian Stephens
Assistant Chief Dave Thomas	Assistant Chief Lori Zeller
Clerk of the Authority Sherry Wentz	Assistant Clerk Lydia Slivkoff

PRESENTATIONS

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

On motion of Vice Chair Murray and second by Director Kelley, the Board voted unanimously to approve the requests as submitted, and make presentations to those present.

Vice Chair Murray and Fire Chief Richter presented OCFA Length of Service recognitions to Fire Captain David Bautista, 35 years, and Fire Captain Jeff Morgan, 40 years of service to the OCFA. (F: 11.09D)

Vice Chair Murray and Fire Chief Richter presented the National Procurement Institute's 18th Annual Achievement of Excellence in Procurement Award to Purchasing Manager Debbie Casper, Buyer Roth Ong, and Management Assistant Marilee Freeville for achieving organizational excellence in procurement. (F: 17.10I)

PUBLIC COMMENTS (X: 11.11)

Vice Chair Murray opened the Public Comments portion of the meeting.

Stephen Wontrobki, Mission Viejo resident, commented on the lack of response by LSL regarding the Purchasing/Procurement audit and his continued concern regarding the OCFA procurement process. He provided a letter, which is on file in the Office of the Clerk. (F: 15.02A1)

Vice Chair Murray closed the Public Comments portion of the meeting.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matter on the Agenda identified as CS1, Conference with Legal Counsel-Existing Litigation and CS2, Conference with Legal Counsel-Anticipated Litigation.

Vice Chair Murray recessed the meeting to Closed Session at 8:20 p.m.

CS1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: Steve Poole et al. v. Orange County Fire Authority

Case No.: OC Superior Court Case No. 30-2011-00463651

Authority: Government Code Section 54956.9(a)

CS2. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation (1 case)

Vice Chair Murray reconvened the meeting at 9:07 p.m. Director Lalloway left at this point.

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CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig indicated the Board unanimously authorized the filing of a petition for review with the Supreme Court in the matter of Steven Poole et al. v. Orange County Fire Authority, OC Superior Court Case No. 30-2011-00463651.

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

Budget and Finance Vice Chair Bressette reported that at its November 6, 2013, meeting the Budget and Finance Committee discussed and voted unanimously to send the Acceptance of DHS/FMA Administrative Preparedness Grant, Annual Statement of Investment Policy and Investment Authorization, Audited Financial Reports for the Fiscal Year Ended June 30, 2013, FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis, 2013 Update – Fiscal Health Plan & Financial Stability Budget and Refunds for Unverified Hazardous Materials Disclosure Inspection – Follow-up Actions to the Board of Directors with the recommendation that the Board approve the items.

He reported that the Committee had also received a monthly status update of the Orange County Employees' Retirement System (OCERS) and Workers' Compensation Program, and directed staff to send letters to OCERS in opposition to its Compensation Philosophy.

MINUTES

2. Minutes from September 26, 2013, Regular Board of Directors Meeting (A) and October 7, 2013, Special Board of Directors Meeting (B) (F: 11.06)

Stephen Wontrobski, Mission Viejo resident, did not concur with the Minutes regarding his comments at the September 26, 2013, regarding the LSL audit, and requested they be amended to reflect his opposition to the item.

On motion of Director Kelley and second by Director McCloskey, the Board voted unanimously to direct the Clerk to review the tapes from these meetings and make any necessary modifications.

CONSENT CALENDAR

(Agenda Item No. 6 was pulled from the Consent Calendar for separate consideration. Agenda Item No. 8 was pulled for consideration at a future meeting.)

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

On motion of Director Bressette and second by Director Kelley, the Board voted unanimously to:

1. Approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2014.
2. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2014.

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3. Direct staff to return to the Budget and Finance Committee in January to discuss the option of using an outside investment manager.

4. 2013 Update – Fiscal Health Plan & Financial Stability Budget Policy (F: 11.10B)

On motion of Director Bressette and second by Director Kelley, the Board voted unanimously to approve the Fiscal Health Plan and the Financial Stability Budget Policy.

5. Refunds for Unverified Hazardous Materials Disclosure Inspections – Follow-up Actions (F: 18.11A1)

On motion of Director Bressette and second by Director Kelley, the Board voted unanimously to:

1. Direct staff to process a second mailing to eligible businesses that have not yet claimed refunds, using updated addresses where feasible.
 - a. Work with the Orange County Health Care Agency (HCA) for availability of more recent address information relating to these businesses.
 - b. Provide the list of outstanding eligible businesses, sorted by city, to our member agencies for any assistance that they may be able to provide in locating current addresses for these businesses.
 - c. Utilize light-duty staff to assist in searching public information that may lead to new addresses for the outstanding businesses.
 - d. Utilize the existing address on file if updated addresses cannot be located for businesses.
 - e. Issue the second letters to these eligible businesses on or about January 15, 2014.
2. Authorize a cut-off date of April 30, 2014, whereby the value of any remaining unclaimed refunds will be transmitted to the HCA for use in the existing Hazardous Materials Disclosure (HMD) program, thereby benefitting the existing participating HMD businesses.
3. Direct staff to work with the HCA in developing potential actions for disposition of the \$935,870 in funds that resulted from FY 2007/08 HMD fee reductions that were approved by the OCFA Board of Directors after the HMD billings had been processed.
 - a. Potential actions should be brought back to the Budget and Finance Committee and Board of Directors, for further discussion and action.

6. Equity Status Update – Approval of Second Amendment to Amended OCFA Joint Powers Authority Agreement (F: 10.2) (X: 12.03E3)

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the approval of the Second Amendment to Amended OCFA Joint Powers Authority Agreement. He provided a letter, which is on file in the Office of the Clerk.

On motion of Director Kelley and second by Director Bressette, the Board voted unanimously to receive and file the report.

7. Acceptance of DHS/FEMA Administrative Preparedness Grant (F: 16.02B)

On motion of Director Bressette and second by Director Kelley, the Board voted unanimously to:

1. Adopt the submitted resolution to accept the Department of Homeland Security/Federal Emergency Management Agency's (DHS/FEMA) Administrative Preparedness Grant.
2. Direct staff to increase revenue and appropriations in the amount of \$1,244,654 in the General Fund (Fund 121).

8. Proposed Human Resources Committee (F: 12.02D)

Vice Chair Murray indicated the item would be deferred to a future meeting.

END OF CONSENT CALENDAR

DISCUSSION CALENDAR

Chair Weinberg arrived at this point (9:18 p.m.), and assumed the chair.

9. Audited Financial Reports for the Fiscal Year Ended June 30, 2013 (F: 15.06)

Assistant Chief Zeller introduced Richard Kikuchi, CPA, Soll & Lunghard, LLP, who provided a report on the Audited Financial Reports for the Fiscal Year Ended June 30, 2013.

On motion of Director Goedhart and second by Director Ta, the Board voted unanimously to receive and approve the reports.

10. FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis (F: 15.11)

On motion of Director Goedhart and second by Vice Chair Murray, the Board voted unanimously to defer this item to a future meeting.

PUBLIC HEARING(S)

No items.

REPORTS

11. Chief's Report (F: 11.14)

Fire Chief Richter reported staff had initiated the FY 2014/15 budget process, which will be presented to the Budget and Finance Committee at its May 14, 2014, meeting. He reported on the first quarter expenditures; Chief Richter reported backfill overtime was at 35% due to large fires occurring over the first quarter. He indicated the crew at Fire Station 62 relocated to the Fullerton Airport due an accidental fire at the station, and noted asbestos was discovered during repairs. Chief Richter indicated an anonymous letter was received by OCFA regarding the hiring of the OCFA Human Resources (HR) Director. He reported Legal Counsel reviewed the matter and advised OCFA to conduct an open recruitment, as the HR Director is not considered an Executive Manager. Chief Richter indicated a recruitment is underway, and Janet Wells was reclassified to an interim HR Director until the position is filled.

BOARD MEMBER COMMENTS (F: 11.13)

Director Kelley indicated she attended the Spurgeon Award Ceremony, and announced Fire Chief Richter received the award for his work with the Fire Explorer Program; and thanked Assistant Chief Zeller and Division Chief Wells for attending the City of Mission Viejo's Council meeting and presenting the Second Amendment to Amended OCFA Joint Powers Authority Agreement.

Director Amezcua indicated the Santa Ana Council approved an \$890,000 Community Development Block Grant fund to improve fire stations facilities; thanked OCFA for moving forward with the hazard reduction program in Santiago Creek and hand crews for assistance in removing the hazards/vegetation in the creek; thanked Truck 75 Shift B for participating in the Latina Health Access' Wellness Corridor Walk & Ride Kickoff, and announced the delivery of a flashover container to Centennial Park for fire training purposes.

Vice Chair Murray thanked staff for its Equity Study presentation at the City's Council meeting; noted his attendance at the Spurgeon Award Ceremony and offered his congratulations to the Fire Chief for receiving an award; commented on his attendance at the Heroes with a Heart Ceremony noting OCFA Fire Captain Mark Danielson was honored for assisting a citizen who lost a spouse; thanked Division Chief Concepcion for attending the Tustin Mayor's Breakfast, and wished everyone a happy Thanksgiving.

Director Bressette encouraged Board members to visit the Orange County Firefighters' Benevolent Association store to purchase a book entitled *A Christmas Major*, which was written by a retired OCFA firefighter.

Director McCullough indicated the Lake Forest City Council approved the Amended OCFA Joint Powers Authority Agreement unanimously, and wished everyone a happy Thanksgiving, Merry Christmas, and a happy safe new year.

Director Gamble requested the Executive Committee consider revising its meetings start times; requested the Budget and Finance and Executive Committees consider requiring more detailed information in Professional Services Agreements; thanked Assistant Chief Zeller and Division

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Chief Wells for attending the Rancho Santa Margarita City Council meeting and indicated the council unanimously approved the Second Amendment to Amended OCFA Joint Powers Authority Agreement, and wished everyone a happy Thanksgiving.

Director Shawver commended Assistant Chief Zeller for her work with Orange County Employees Retirement System in monitoring OCFA interests, and wished everyone a happy Thanksgiving.

Director Barnett concurred with Director Shawver's comments regarding Assistant Chief Zeller; agreed with Director Gamble's request to consider a change to the Executive Committee meetings noting it may be beneficial to move them to an earlier time or a different day; thanked Mr. Wontroski for being a public watchdog even though he may not always agree with him.

Director McCloskey reported the Laguna Niguel City Council did not pass the Amended OCFA Joint Powers Authority Agreement, and indicated his city would like to see more equity in the future.

Chair Weinberg wished everyone a happy Thanksgiving, Hanukah, and Christmas.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matters on the Agenda identified as CS3, Conference with Labor Negotiator and CS4, Public Employee Performance Evaluation, and noted Legal Counsel Barbara Raileanu would be not be attending CS3.

Chair Weinberg recessed the meeting to Closed Session at 9:35 p.m.

CS3. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiators: Janet Wells, Human Resources Director, and
Barbara Raileanu, Legal Counsel

Employee Organizations: Orange County Professional Firefighters' Association,
Local 3631, Orange County Fire Authority Chief
Officers' Association, and Orange County Employees'
Association, and Unrepresented Employees

Authority: Government Code Section 54957.6

CS4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: Fire Chief

Authority: Government Code Section 54954.5

Chair Weinberg reconvened the meeting at 11:10 p.m. with all Board members present.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig indicated the Board took no reportable action during Closed Session.

ADJOURNMENT - Chair Weinberg adjourned the meeting at 11:11 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for January 23, 2014, at 6:30 p.m.

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

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Special Meeting
Thursday, December 11, 2013
1:00 P.M.**

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

CALL TO ORDER

A special meeting of the Orange County Fire Authority Board of Directors was called to order on December 11, 2013, at 1:00 p.m. by Chair Steven Weinberg.

INVOCATION

Chaplain Bob George offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Randal Bressette, Laguna Hills
Carol Gamble, Rancho Santa Margarita
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Warren Kusumoto, Los Alamitos
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
David Sloan, Seal Beach
Elizabeth Swift, Buena Park
Steven Weinberg, Dana Point

Rick Barnett, Villa Park
Gerard Goedhart, La Palma
Gene Hernandez, Yorba Linda
Trish Kelley, Mission Viejo
Jeffrey Lalloway, Irvine
Kathryn McCullough, Lake Forest
David Shawver, Stanton
Todd Spitzer, County of Orange
Phillip Tsunoda, Aliso Viejo

Absent: Joseph Aguirre, Placentia
Bob Baker, San Clemente
Tri Ta, Westminster

Sam Allevato, San Juan Capistrano
Pat Bates, County of Orange
Sal Tinajero, Santa Ana

Also present were:

Fire Chief Keith Richter
Deputy Chief Craig Kinoshita
Assistant Chief Dave Thomas
Clerk of the Authority Sherry Wentz
Interim Human Resources Director Janet Wells

General Counsel Dave Kendig
Assistant Chief Brian Stephens
Assistant Chief Lori Zeller
Assistant Clerk Lydia Slivkoff

PRESENTATIONS

No items.

PUBLIC COMMENTS (F: 11.11)

Chair Weinberg opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, provided public comments regarding his suggestions on the upcoming labor negotiations process.

Chair Weinberg closed the Public Comments portion of the meeting.

On motion of Director Kelley and second by Director Bressette, the Board voted unanimously to consider Agenda Item Nos. 3-4 after Closed Session, and reorder Agenda Item Nos. 1 and 2.

DISCUSSION CALENDAR

2. Appointment of Professional Labor Negotiator (F: 17.10J1)

Fire Chief Richter provided a report on the selection of a Professional Labor Negotiator.

Stephen Wontrobski, Mission Viejo resident, provided public comments in support of the appointment. He provided a letter, which is on file in the Office of the Clerk.

A lengthy discussion ensued.

On motion of Director Kelley and second by Director Lalloway, the Board voted by roll call vote to:

1. Find that, due to the significant time constraints, it would be impractical to follow the bidding requirements in the OCFA Purchasing Rules and Regulations prior to approval of the selection, and find that the welfare of the public would be promoted by dispensing with the bidding requirements for this appointment.
2. Approve the Professional Services Agreement with, and appoint, Peter Brown (Liebert Cassidy Whitmore) to serve as OCFA's professional labor negotiator, for a cost of \$100,000, covering the period of January through June 2014.
3. Authorize a contingency amount of \$50,000, to be used only if needed, in the event negotiations require more hours of service than initially anticipated.

SUPPORT (16)

Randal Bressette, Laguna Hills	Rick Barnett, Villa Park
Carol Gamble, Rancho Santa Margarita	Noel Hatch, Laguna Woods
Gene Hernandez, Yorba Linda	Robert Johnson, Cypress
Trish Kelley, Mission Viejo	Jeffrey Lalloway, Irvine
Jerry McCloskey, Laguna Niguel	Kathryn McCullough, Lake Forest
Al Murray, Tustin	David Shawver, Stanton
David Sloan, Seal Beach	Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo	Steven Weinberg, Dana Point

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OPPOSED (3)

Gerard Goedhart, La Palma
Todd Spitzer, County of Orange

Warren Kusumoto, Los Alamitos

ABSTAINED (0)

None

ABSENT (6)

Joseph Aguirre, Placentia
Bob Baker, San Clemente
Tri Ta, Westminster

Sam Allevato, San Juan Capistrano
Pat Bates, County of Orange
Sal Tinajero, Santa Ana

MINUTES (F: 11.06)

1. Request to Review Minutes of the Regular Board of Directors Meeting held on September 26, 2013, and Special Board of Directors Meeting held on October 7, 2013

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the findings of the Clerk's review of the video tape of the September 26, 2013, and requested the minutes reflect his opposition to the purchasing/procurement audit.

On motion of Director McCullough and second by Director Kelley, the Board voted unanimously to approve the Minutes of the regular Board of Directors meeting held on September 26, 2013, as originally submitted, and the Minutes of the special Board of Directors meeting held on October 7, 2013, as amended. Director Lalloway was absent for the vote.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matter on the Agenda identified as CS1, Public Employee Performance Evaluation and CS2, Conference with Legal Counsel-Existing Litigation.

Chair Weinberg recessed the meeting to Closed Session at 1:57 p.m.

CS1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: Fire Chief
Authority: Government Code Section 54954.5

CS2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: Orange County Fire Authority V. California Department of Industrial Relations, e.t. al.
Case No.: OC Superior Court Case No. 30-2013-00628178
Authority: Government Code Section 54956.9(A)

Chair Weinberg reconvened the meeting at 4:45 p.m. with Directors Gamble, Kelley, and Sloan absent.

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OCFA Board of Directors Special Meeting

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CLOSED SESSION REPORT (F: 11.15)

General Counsel Dave Kendig reported the Board completed the Fire Chief's evaluation, and no reportable action on CS2.

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 11.11)

There was no report, as the Budget and Finance Committee did not meet in December.

CONSENT CALENDAR

No items.

DISCUSSION CALENDAR

3. FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis (F: 15.11)

Finance Manager/Auditor Jim Ruane provided a PowerPoint presentation on the FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis.

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the FY 2012/13 Backfill/Overtime and Total Earnings/Compensation Analysis noting the report was in conflict with the Grand Jury posted compensation data.

Director Lalloway left at this point (5:10 p.m.)

On motion of Director Bressette and second by Director Hernandez, the Board voted by roll call vote to receive and file the report.

SUPPORT (12)

Randal Bressette, Laguna Hills
Gerard Goedhart, La Palma
Robert Johnson, Cypress
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Elizabeth Swift, Buena Park

Rick Barnett, Villa Park
Noel Hatch, Laguna Woods
Warren Kusumoto, Los Alamitos
Kathryn McCullough, Lake Forest
David Shawver, Stanton
Steven Weinberg, Dana Point

OPPOSED (0)

None

ABSTAINED (2)

Gene Hernandez, Yorba Linda

Todd Spitzer, County of Orange

ABSENT (11)

Joseph Aguirre, Placentia
Bob Baker, San Clemente
Carol Gamble, Rancho Santa Margarita
Jeffrey Lalloway, Irvine
Tri Ta, Westminster
Phillip Tsunoda, Aliso Viejo

Sam Allevato, San Juan Capistrano
Pat Bates, County of Orange
Trish Kelley, Mission Viejo
David Sloan, Seal Beach
Sal Tinajero, Santa Ana

4. Proposed Human Resources Committee (F: 12.02D)

Chief Richter provided an overview of the proposed Human Resources Committee.

Director Lalloway returned at this point (5:25 p.m.)

On motion of Director Spitzer and second by Director Bressette, the Board voted by roll call vote to:

1. Approve the proposed Human Resources Committee in concept.
2. Direct staff to revise the proposed membership of the committee to consist of seven Directors, with the selection process mirroring the same as the Budget and Finance Committee, and return the revised Board Rules of Procedure at the next regular meeting of the Board of Directors for its consideration.

SUPPORT (14)

Randal Bressette, Laguna Hills
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Jeffrey Lalloway, Irvine
Kathryn McCullough, Lake Forest
David Shawver, Stanton
Elizabeth Swift, Buena Park

Rick Barnett, Villa Park
Gene Hernandez, Yorba Linda
Warren Kusumoto, Los Alamitos
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Todd Spitzer, County of Orange
Steven Weinberg, Dana Point

OPPOSED (1)

Gerard Goedhart, La Palma

ABSTAINED (0)

None

ABSENT (10)

Joseph Aguirre, Placentia
Bob Baker, San Clemente
Carol Gamble, Rancho Santa Margarita
David Sloan, Seal Beach
Sal Tinajero, Santa Ana

Sam Allevato, San Juan Capistrano
Pat Bates, County of Orange
Trish Kelley, Mission Viejo
Tri Ta, Westminster
Phillip Tsunoda, Aliso Viejo

PUBLIC HEARING(S)

No items.

REPORTS

5. Chief's Report (F: 11.14)

The Fire Chief had nothing to report.

BOARD MEMBER COMMENTS (F: 11.13)

Director Shawver thanked Fire Station 46 for helping the City of Stanton at its holiday event.

Director Bressette thanked Fire Station 22 for allowing him to participate in a ride-along and encouraged fellow Board members to participate in this program.

Director Swift announced that Knott's Berry Farm was offering limited free entry to fire personnel and veterans.

Director McCullough wished everyone a Merry Christmas and a happy safe new year.

CLOSED SESSION (F: 11.15)

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matter on the Agenda identified as CS2, Conference with Legal Counsel-Existing Litigation.

Chair Weinberg recessed the meeting to Closed Session at 6:00 p.m.

CS2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: Orange County Fire Authority V. California Department of Industrial Relations, e.t. al.

Case No.: OC Superior Court Case No. 30-2013-00628178

Authority: Government Code Section 54956.9(A)

Closed Session Report

Chair Weinberg reconvened the meeting at 6:10 p.m.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig announced the Board considered and unanimously authorized an offer of settlement on CS2, the substance of which, upon acceptance by the parties will be disclosed after the agreement has been fully executed.

Minutes

OCFA Board of Directors Special Meeting

December 11, 2013 Page - 6

ADJOURNMENT – Chair Weinberg adjourned the meeting at 6:12 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for January 23, 2014, at 6:30 p.m.

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

CONSENT CALENDAR – AGENDA ITEM NO. 3
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Amendments to the Board Rules of Procedure**

Summary:

This agenda item is submitted to amend the Board Rules of Procedure to establish an additional standing committee to serve in an advisory capacity on a variety of matters relating to Human Resources, and change the regular meeting times of the Claims Settlement and Executive Committees.

Recommended Actions:

1. Authorize the establishment of a Human Resources (HR) Committee as an additional standing committee to serve in an advisory capacity to staff and the Board of Directors.
2. Approve the submitted HR Committee Protocols.
3. Approve the proposed Resolution to amend the Board Rules of Procedure to reflect the additional standing committee, and other proposed changes.

Background:

At a special meeting of the Board of Directors on December 11, 2013, the Board approved the proposed Human Resources Committee in concept, and directed staff to revise the proposed membership of the committee to consist of seven Directors, with the selection process mirroring the same as the Budget and Finance Committee, and return the revised Board Rules of Procedure at the next regular meeting of the Board of Directors for its consideration.

At this same meeting, the Board authorized staff to bring back a Resolution to amend the Board Rules of Procedure to change the regular meeting times of the Claims Settlement and Executive Committees by moving the time up by one-half hour to better accommodate the business of the Executive Committee. The regular meeting time for the Claims Settlement Committee will be changed from 5:30 p.m. to 5:00 p.m., and the Executive Committee regular meeting time will be changed from 6:00 p.m. to 5:30 p.m.

General Counsel also recommends including additional verbiage regarding: (1) the time and place of meetings for the Board of Directors and each standing Committee to clarify that “special meetings may occur on other dates, times, and/or locations as noticed,” (2) a correction to a position title on Page 10 – Designated Labor Negotiations from Chief Deputy to Deputy Fire Chief, and (3) a strike out of the word “management” in Rule 11(b) in reference to appointed representatives by the Board consistent with the Board's recent action appointing an independent labor negotiator as housekeeping amendments.

The Board also had a brief dialogue concerning past standing committees, potential need for additional standing committees, current Board stipends, and Board Member attendance at scheduled meetings. Staff is currently researching these additional subjects and, upon completion, will be bringing them forward for Board discussion.

Impact to Cities/County:

The proposed Human Resources Committee can facilitate improved communications relating to personnel-type matters on behalf of our member agencies and the Board of Directors.

Fiscal Impact:

Potential increase in stipends to Human Resources Committee Members that would be based upon selection of date and frequencies of meetings. As these would be Brown Act compliant meetings, the Board Rules of Procedure regarding stipends would be applicable to this committee.

Staff Contacts for Further Information:

Lori Zeller, Assistant Chief/Business Services Department
lorizeller@ocfa.org
(714) 573-6020

Janet Wells, Interim Human Resources Director
janetwells@ocfa.org
(714) 573-6801

Sherry Wentz, Clerk of the Authority
sherrywentz@ocfa.org
(714) 573-6041

Attachments:

1. Human Resources Committee Protocols
2. Proposed Resolution

Human Resources Committee

Background Information

- The Human Resources (HR) Committee shall be considered a Standing Committee, as defined by Rule 10 (a) of the Board of Directors Rules of Procedure.
- The HR Committee reports directly to the Board of Directors.
- The Human Resources Committee shall consist of seven members of the Board of Directors. The Chair shall make all appointments to the Human Resources Committee. Appointments to the Human Resources Committee shall be made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing Structural Fire Fund and Cash Contract cities.
- At the first meeting of the Human Resources Committee following the annual election of the Chair and Vice Chair of the Board of Directors, the Directors assigned to the Human Resources Committee shall elect from its members a Chair and Vice Chair of the Committee.
- The Committee shall meet at the Regional Fire Operations & Training Center, with the designated-recurring meeting dates and times to be established by the Committee.

Committee Mission/Purpose

The Human Resources Committee advises the staff and makes recommendations to the Board of Directors on matters regarding human resources policies; job class specifications; compensation programs; benefit changes and renewals; labor negotiations; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems.

Committee Guidelines

This section contains the operating philosophy of the Committee, its policy and decision-making responsibilities, staff involvement, the Committee's relationship to other committees and the Board of Directors, and other details about Committee activities.

Operating Philosophy, Policy-Making and Oversight Responsibilities

- A broad regional perspective will be applied to issues coming before the Committee to achieve the mission of the Committee as well as the Authority.
- The Authority's mission and goals relevant to human resources issues will be periodically revisited by the Committee.
- The Committee will convey proposed revisions for its structure or oversight responsibilities for consideration by the Board of Directors.
- The Committee will consider whether issues should:
 - remain with the review jurisdiction of the Committee as an advisory item only
 - be referred to the Executive Committee
 - be referred to the Board of Directors
- *All policy matters or matters requiring budget adjustments shall be referred to the Board of Directors.*

Human Resources Committee

Staff Liaison, Agenda Materials & Staff Presentations

- The Human Resources Director will serve as the primary Staff Liaison to the Committee.
- Items shall be included on the Committee's agenda only with the approval of the Committee Chair or Staff Liaison.
- Written and oral reports by staff will be used in presenting issues to the Committee.
- An executive summary followed by sufficient backup material will be used to describe the major issues of the item and form the basic model of agenda material coming before the Committee.

RESOLUTION NO. 2014-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
AMENDING THE BOARD OF DIRECTORS RULES OF PROCEDURE**

WHEREAS, the Orange County Fire Authority Board of Directors adopted Resolution No. 99-04, on January 28, 1999, establishing the Board of Directors Rules of Procedure, and

WHEREAS, the Board of Directors has periodically amended said Rules, the most recent amendment occurring on March 28, 2013; and

WHEREAS, the Board is considering amendments to these Rules.

NOW, THEREFORE, BE IT RESOLVED as follows:

The Board of Directors Rules of Procedures is amended as indicated by the redline version attached hereto as Exhibit A.

PASSED, APPROVED and ADOPTED this 23rd day of January 2014.

STEVEN WEINBERG, CHAIR
OCFA Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

OCCA BOARD OF DIRECTORS



**ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS
RULES OF PROCEDURE
(Last Revision: ~~03/28/13~~01/23/14)**

- Rule 1 Time and Place of Meetings of the Board of Directors and the Executive Committee
- Rule 2 Agendas/Minutes for Meetings of the Board of Directors
- Rule 3 Order of Business for Meetings of the Board of Directors
- Rule 4 Motions During Meetings of the Board of Directors
- Rule 5 Decorum for Public Meetings
- Rule 6 Election of Chair and Vice Chair of the Board of Directors/
Absence of Presiding Officer
- Rule 7 Retention of Exhibits and Documentary Material received in Hearings Before the Board of Directors
- Rule 8 Ceremonial Functions and Proclamations
- Rule 9 The Executive Committee
- Rule 10 The Standing Committees
- Rule 11 Designated Labor Negotiations
- Rule 12 Alternate Directors
- Rule 13 Compensation/Reimbursement for Expenses
- Rule 14 Amendment of Rules of Procedure

RULE 1. TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

- (a) Except as otherwise provided in this Rule or by Resolution of the Board, a regular meeting of the Board of Directors shall be held on the fourth Thursday of each odd-numbered month, commencing at the hour of 6:30 p.m. in the Board Meeting Room, Regional Fire Operation and Training Center (RFOTC), One Fire Authority Road, Irvine. The meeting for the month of November shall be scheduled for the third Thursday, commencing at the hour of 6:30 p.m. in the Board Meeting Room, RFOTC, One Fire Authority Road, Irvine. Special meetings may occur on other dates, times, and/or locations as noticed.
- (b) Except as otherwise provided in this Rule, a regular meeting of the Executive Committee shall be held on the fourth Thursday of each month, with the exception of December, commencing at the hour of ~~6:00~~5:30 p.m. in the Board

Meeting Room, RFOTC, One Fire Authority Road, Irvine. Special meetings may occur on other dates, times, and/or locations as noticed.

- (c) The Clerk of the Authority shall maintain the official meeting calendar, and shall post same in the display case located in the lobby of the Board Meeting Room and posting case outside main entry gate, RFOTC, One Fire Authority Road, Irvine.
- (d) Any meeting of the Board may be adjourned to any other date and time when necessary for the transaction of business. Any adjourned meeting of the Board is part of a regular meeting.
- (e) Special meetings of the Board may be called pursuant to and in accordance with Section 54956 of the Government Code. The Clerk shall prepare the notice and call of any special meeting. The notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such special meeting. A copy of the notice of the special meeting shall also be posted at the places designated in subsection (c) of Rule 1.
- (f) In the event the Board or Executive Committee, or their respective Chairs, determine it advisable to hold a regular meeting at a location other than the Board Meeting Room, RFOTC, One Fire Authority Road, Irvine, a notice specifying the location of such meeting shall be posted in the display case in the lobby of the Board Meeting Room and posting case outside main entry gate, RFOTC, One Fire Authority Road, Irvine. Additional notices shall be posted and maintained as set forth in (c) above.

RULE 2. AGENDAS/MINUTES FOR MEETINGS OF THE BOARD OF DIRECTORS

- (a) Items for the agenda for any regular meeting of the Board may be included on the agenda only with the approval of the Fire Chief or the Chair of the Board.
- (b) During the Board Member Comments portion of a Board meeting, any member may request that an item be placed on a future agenda of the Board of Directors. Staff will prepare reports as appropriate and place the item on the agenda for the next meeting of the Board of Directors. At any other time, any Board Member may contact the Chair to request that an item be placed on the agenda of the next meeting of the Board of Directors. This item will be placed on the Board Discussion Calendar portion of the agenda for concurrence by the Board. No staff reports or materials will be prepared until the full Board directs that the item be placed on an agenda.
- (c) As required by the Ralph M. Brown Act, items not on the posted agenda for a meeting shall not be considered by the Board except as follows:
 - (1) Upon determination by a majority vote of the Board that an emergency situation exists. The determination shall be made prior to Board consideration of the emergency item. An emergency situation is limited to:
 - (a) Work stoppage or other activity which severely impairs public health, safety or both.

- (b) Crippling disaster which severely impairs public health, safety or both.
- (2) Upon determination by a two-thirds vote of the Board Members present, or a unanimous vote if less than two-thirds of the Members are present, that there is a need to take immediate action and that the need came to the attention of the Authority subsequent to the agenda being posted. The determination shall be made prior to Board consideration of the item.
- (3) The item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item and at which prior meeting, the item was continued to the meeting at which action is being taken.
- (d) The OCFA Board has adopted the use of Robert’s Rules of Order as its official guideline in the creation of minutes. All Board/Committee meeting will be documented using action-type minutes. Minutes will document the record of what actions were taken by the governing body, not what was said. The minutes will not contain personal comments or someone’s opinion about what happened.
 - (1) The minutes shall document the items identified in Rule 3 in the Board’s Order of Business.
 - (2) Public comments will identify the name of the speaker, their city of residences/or organization they represent (if provided by the speaker), and identify the subject to which their comments are being submitted. If commenting on a specific agenda item, the minutes will record the speaker’s name, their city of residences/or organization they represent (if provided), and identify if they are speaking in support or opposition of that item.

RULE 3. ORDER OF BUSINESS FOR MEETINGS OF THE BOARD OF DIRECTORS

- (a) The order of business for regular meetings of the Board shall be:

- Invocation
- Pledge of Allegiance
- Roll Call
- Presentations
- Committee Reports
- Public Comments
- Minutes
- Consent Calendar

- (1) Agenda review at call of the Chair to identify those items on the Consent Calendar which a member of the Board or public requests the opportunity to discuss.
- (2) Approval at the call of the Chair of those items for which there is no request for discussion.
- (3) Discussion of items that the public has requested an opportunity to discuss shall be taken in sequential order.

- Public Hearing(s)
- Discussion Calendar
- Chief’s Report

Closed Session
Closed Session Report
Adjournment

The Chair may alter or deviate from this order of business.

- (b) 9:30 p.m. Rule: At the hour of 9:30 p.m. the meeting will take a brief moment from the agenda at hand and make a determination as to which items will be considered and those that may be continued to the next regular meeting.
- (c) 10:30 p.m. Curfew: All meetings will end business at 10:30 p.m. unless the hearing body elects to extend the curfew by a three-fifths vote of all members present.

RULE 4. MOTIONS DURING MEETINGS OF THE BOARD OF DIRECTORS

- (a) Action of the Board shall be taken by motion. Any action of the Board may be proposed by the motion of any Member. Such a motion, if seconded by any member, shall be on the floor and must be considered, unless a substitute motion has been made, seconded, and adopted. If a motion is not seconded, the motion fails for lack of a second, and shall be so declared by the Chair.
- (b) A motion may be withdrawn or amended by its maker at any time before adoption or rejection, with the consent of the second. Absent the consent of the second, the original motion shall remain on the floor. The second to a motion may be withdrawn by the seconder at any time before adoption or rejection of the motion. Upon withdrawal of the second, the motion will be lost for lack of a second and so declared by the Chair unless seconded by another Member.
- (c) After a motion has been seconded, any Member may discuss the subject of the motion. The Chair may, on any motion, call for the vote if it appears that further discussion will be repetitious or that a majority of the Members present concur in the call.
- (d) A motion to reconsider the vote on an agenda item may be made at the meeting at which the item was acted upon, or any adjourned session of the same meeting.

RULE 5. DECORUM FOR PUBLIC MEETINGS

- (a) Members of the Board shall conduct themselves in an orderly and business-like manner to ensure that the business of the Authority shall be attended to efficiently and thoroughly and to ensure that the integrity of the deliberative process of the Board is maintained at all times. Members of the Board shall maintain a polite, respectful, and courteous manner when addressing one another, Authority staff, and members of the public during the meetings.
- (b) Subject to direction by a majority of the Board, the Chair, or in the Chair's absence the Vice Chair, or in their absence any other member designated by the Board, shall be responsible for resolving all procedural issues and for maintaining the orderly conduct and decorum of meetings. It shall be the duty of the Chair to

ensure that the rules of decorum contained herein are observed. The Chair shall maintain control of communication among Board Members, and between Board Members and the public.

(c) Communication by Board Members

1. Board Members should be recognized by the Chair before speaking.
2. A Board Member who is speaking shall remember that the purpose of the meeting is to attend to and resolve Authority business. Board Members shall avoid repetition and shall endeavor to limit their comments to the subject matter at hand. Board Members shall endeavor to express their views without engaging in lengthy debates.
3. When one Board Member is speaking, other Board Members shall not interrupt or otherwise disturb the speaker.

(d) Communication with members of the public addressing the Board.

1. Board Members may question the person addressing the Board at the conclusion of the person's comments. A Board Member wishing to ask questions of a member of the public should first be recognized by the Chair.
2. Board Members shall not engage the person addressing the Board in a dialogue, but shall confine communication to a question and answer format.
3. If a member of the audience has addressed the Board on matters which are not on the agenda, Board Members shall refrain from extended discussions of the matter. If a Board Member so wishes, he/she may, during the Board Member Comments portion of the meeting, request that the matter be placed on a future agenda.

(e) Authority Staff shall not engage in a dialogue with members of the public during Board meetings. When addressed by the Board, staff shall respond in a polite and respectful manner.

(f) Members of the Audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, clapping, whistling, and stamping of feet or other acts which disturb, disrupt, impede or otherwise render the orderly conduct of the Board meeting unfeasible. A member of the audience engaging in any such conduct shall, at the discretion of the Chair or a majority of the Board Members, be subject to removal from that meeting.

(g) Members of the public may address the Board of Directors during the Public Comment Period and prior to the consideration of any agenda item. Any person wishing to speak, whether during the Public Comment Period or on an agenda item, shall first complete a request to speak form slip and submit the form to the Authority Clerk prior to the calling to order of the meeting or as soon as possible thereafter.

(h) No person shall address the Board of Directors without first being recognized by the Chair.

(i) The purpose of addressing the Board of Directors is to formally communicate to the Board on matters relating to Authority business or citizen concerns within the

subject matter jurisdiction of the Board. Persons addressing the Board on an agenda item shall confine the subject matter of their remarks to the particular matter before the Board.

- (j) Each person addressing the Board of Directors shall do so in an orderly manner and shall not engage in any conduct, which disrupts, disturbs, or otherwise impedes the orderly conduct of the Board meeting. Any person who so disrupts the meeting shall, at the discretion of the Chair or a majority of the Board Members, be subject to removal from that meeting.
- (k) Persons addressing the Board of Directors shall address the Board as a whole and shall not engage in a dialogue with individual Board Members, Authority staff, or members of the audience.
- (l) A time limit of approximately three minutes per person shall be allocated to all persons addressing the Board of Directors, however, at the discretion of the Chair, an individual speaking on behalf of a group sharing common concerns or opinions may be allocated additional time to speak for the group. A total of approximately thirty minutes will be allocated at the beginning of the meeting for Public Comments, with additional time granted at the discretion of the Chair. If needed, additional time for Public Comments will be provided at the conclusion of the normal business of the Board.
- (m) Upon a violation of the rules of decorum established herein, the procedure to enforce the rules is as follows:
 - 1. Warning The Chair shall first request that a person who is violating the rules cease such conduct. If, after receiving a request from the Chair, the person persists in violating these rules, the Chair shall order a recess. Any representative of the local assigned law enforcement personnel who is present at the meeting when the violation occurred shall be authorized to warn the person that his/her conduct is violating the rules and that he/she is requested to cease such conduct. If upon resumption of the meeting the violation persists, the Chair shall order another recess, whereupon the local assigned law enforcement personnel shall have the authority to order the person removed from the meeting and/or cited in violation of Penal Code Section 403.
 - 2. Motion to Enforce If the Chair of the Board fails to enforce the rules of decorum set forth herein, any Board Member may move to require the Chair to do so, and an affirmative vote of a majority of the Board shall require the Chair to do so. If the Chair fails to carry out the will of the majority of the Board, the majority may designate another Board Member to act as Chair for the limited purpose of enforcing the rules of decorum established herein.
 - 3. Clearing the Room Pursuant to Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a person or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of the individuals who are willfully interrupting the meeting, by a majority vote of the Board Members the meeting room may be ordered cleared and the meeting shall continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those

participating in the disturbance, shall be allowed to attend any session held pursuant to this Section 54957.9.

4. Violation of the California Penal Code A person or persons who substantially impair(s) the conduct of a Board meeting by knowingly and intentionally violating these rules of decorum may be prosecuted under Penal Code Section 403 for disturbing a public meeting. Every person who violates Penal Code Section 403 is guilty of a misdemeanor.

RULE 6. ELECTION OF CHAIR AND VICE CHAIR OF THE BOARD OF DIRECTORS/ABSENCE OF PRESIDING OFFICER

- (a) The officers of the Board are the Chair and Vice Chair.
- (b) Elections for Chair and Vice Chair shall be held at the first meeting of each fiscal year.

The method of nomination and election of the Chair and Vice Chair will be at the discretion of the Board.

- (c) The Presiding Officer of the Board, who shall be the Chair, or in the Chair's absence the Vice Chair followed by the Immediate Past Chair, then the Budget and Finance Committee Chair.

RULE 7. RETENTION OF EXHIBITS AND DOCUMENTARY MATERIAL RECEIVED IN HEARINGS BEFORE THE BOARD OF DIRECTORS

All exhibits, including documentary materials such as photographs, drawings, maps, letters, petitions, and other physical evidence received by the Board at hearings shall be retained by the Clerk as part of the record of the hearings. To the extent possible, the Clerk may furnish copies of such materials to persons requesting them upon payment of the fee prescribed for copies of public records.

RULE 8. CEREMONIAL FUNCTIONS AND PROCLAMATIONS

The Chair is authorized to represent the Authority at ceremonial functions, proclamation ceremonies, and other similar events when the Board has not otherwise designated one of its Members to represent the Authority.

RULE 9. THE EXECUTIVE COMMITTEE

- (a) The Executive Committee shall conduct all business of the Authority, with the exception of policy issues, including labor relations, budget issues, and other matters specifically retained by the Board of Directors.
- (b) The Executive Committee shall consist of no more than nine members of the Board of Directors. Members of the Executive Committee shall serve until a new member is seated in their stead by virtue of appointment or assumption of one of

the designated positions. The Executive Committee membership is comprised of the following designated positions: the Chair and Vice Chair of the Board of Directors, the immediate past Chair of the Board, and the Chair of the Budget and Finance Committee. In addition, membership as constituted, shall include at least one member of the County Board of Supervisors. The Chair shall appoint the remaining at-large members, who shall serve subject to approval by majority vote of the Directors present at a subsequent meeting. Said members are authorized to serve pending such vote of the Board. In the selection of at-large members, appointments shall be made in such a manner as to achieve approximately the ratio of cash contract cities to total member agencies of the Authority. The Chair of the City Managers Technical Advisory Committee shall serve as the ex officio non-voting member of the Executive Committee and shall not be included in the determination of a quorum for any meeting.

- (c) The Chair shall appoint a three-member panel of structural fire fund Alternate Directors and a three-member panel of cash contract city Alternate Directors. If an at-large member of the Executive Committee notifies the Clerk of the Authority that he or she cannot attend an Executive Committee meeting, the Clerk shall call, on a rotating basis, Alternate Directors from the respective panels in an attempt to replace a structural fire fund Director with a structural fire fund Alternate and/or a cash contract city Director with a cash contract city Alternate, as the case may be.

In the absence of the member of the Executive Committee representing the County Board of Supervisors, the Alternate voting member shall be, in order: the second regular member of the Board of Directors representing the County Board of Supervisors, and then the alternate member representing the County Board of Supervisors.

In the absence of the Budget and Finance Chair, the Alternate voting member shall be the Vice Chair of the Budget and Finance Committee.

Should the position of Immediate Past Chair on the Executive Committee become vacant, the most recent past Chair, who is a Director and who is not currently seated on the Executive Committee, shall serve in that capacity. Should there be no prior Board Chair on the Board of Directors, the current Director with the most tenure and not currently seated as a member of the Executive Committee will be seated on the Executive Committee and shall serve in the interim until there is an Immediate Past Chair.

There shall be no Alternate Directors appointed in the absence of the Chair, Vice Chair, or immediate past Chair.

Should the Board Chair or Vice Chair be unable to officiate over a Board and/or Executive Committee meeting that the Immediate Past Chair followed by the Budget and Finance Committee Chair assume the duty of presiding over the meeting.

RULE 10. THE STANDING COMMITTEES

- (a) Standing Committees may be established by the Board of Directors for the purpose of facilitating a thorough review of various issues before presentation to and action by the full Board. Alternate Directors shall not act as alternates for Directors on standing committees.
- (b) The Budget and Finance Committee shall be established as a standing committee. The regular meetings of the Budget and Finance Committee will be on the second Wednesday of each month, with the exception of December, at 12 noon located in Classroom 1 (Board Breakout Room) at the RFOTC. Special meetings may occur on other dates, times, and/or locations as noticed.
- (1) The Chair shall make all appointments to the Budget and Finance Committee. Appointments to the Budget and Finance Committee shall be made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing Structural Fire Fund and Cash Contract cities.
 - (2) At the first meeting of the Budget and Finance Committee following the annual election of the Chair and Vice Chair of the Board of Directors, the Directors assigned to the Budget and Finance Committee shall elect from their members a Chair and Vice Chair of the Committee.
 - (3) The Chair, or in his/her absence, the Vice Chair, of the Budget and Finance Committee shall serve as a member of the Executive Committee.
 - (4) Items for the agenda for any regular meeting of the Budget and Finance Committee shall be included on the agenda only with the approval of the Committee Chair or the Staff Liaison.
 - (5) The Board of Directors, through the Chair, shall appoint one City Manager to the Budget and Finance Committee. The City Manager shall serve as an ex officio non-voting member of the Budget and Finance Committee. As an ex officio member, the City Manager shall not be included in the determination of a quorum for any meeting.
- (c) The Claims Settlement Committee shall be established as a standing committee. The regular meetings of the Claims Settlement Committee will be at ~~5:30~~ 5:00 p.m., prior to and on the same days as the regular meetings of the Executive Committee meetings. The Committee will meet in Classroom 1 (Board Breakout Room) at the RFOTC. Special meetings may occur on other dates, times, and/or locations as noticed.
- (1) The Claims Settlement Committee consists of the Board Chair and Vice Chair, the Budget and Finance Committee Chair, the Fire Chief, and the Human Resources Director. The Deputy Fire Chief shall, in the absence of the Fire Chief, be an alternate Committee member. The Risk Manager shall in the absence of the Human Resources Director, be an alternate Committee member. In the absence of a member of the Board of Directors, the absent member may designate in writing, filed with the Clerk of the Authority, an alternate Committee member from the Executive Committee who may attend and participate to the full extent as the designated Committee member.
 - (2) Staff to the Committee will be the Risk Manager or his or her designee. Additional subject matter experts may attend Committees as necessary.

- (3) The Claims Settlement Committee shall have authority to (a) settle workers' compensation claims for amounts over \$50,000, not to exceed \$250,000, exclusive of any statutorily required future medical payments; (b) settle non-workers' compensation claims for amounts over \$50,000, not to exceed \$250,000; and (c) advise and recommend to OCFA's attorney of record the settlement of any lawsuit in an amount not to exceed \$250,000.

(d) The Human Resources Committee shall be established as a standing committee. The regular meetings of the Human Resources Committee will be established by the Committee. The Human Resources Committee will meet in Classroom 1 (Board Breakout Room) at the RFOTC. Special meetings may occur on other dates, times, and/or locations as noticed.

(1) The Human Resources Committee consists of seven members of the Board of Directors. The Chair shall make all appointments to the Human Resources Committee. Appointments to the Human Resources Committee shall be made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing Structural Fire Fund and Cash Contract cities.

(2) At the first meeting of the Human Resources Committee following the annual election of the Chair and Vice Chair of the Board of Directors, the Directors assigned to the Human Resources Committee shall elect from their members a Chair and Vice Chair of the Committee.

(3) Staff to the Committee will be the Human Resources Director or his or her designee. Additional subject matter experts may attend Committees as necessary.

(4) The Human Resources Committee shall advise OCFA staff and make recommendations to the Board of Directors on matters regarding human resources policies; job class specifications, compensation programs; benefit changes and renewals; labor negotiations; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems.

RULE 11. DESIGNATED LABOR NEGOTIATIONS

- (a) For purposes of holding a closed session concerning compensation and benefits for the Fire Chief, the Board of Directors' designated representatives shall be the Chair, the Vice Chair and the Budget and Finance Committee Chair. Should the Board and/or Budget and Finance Committee reorganize prior to the completion of the Fire Chief's evaluation process the negotiators that began the process will complete the evaluation.
- (b) For purposes of holding a closed session concerning compensation and benefits for all other represented and unrepresented employees, the Board of Directors' designated representatives shall be the ~~Chief~~ Deputy Fire Chief, the Human Resources Director and any other ~~management~~ representative so designated at a meeting of the Board of Directors.

RULE 12. ALTERNATE DIRECTORS

An Alternate Director may act in the absence of the Director for his or her member agency and, in that capacity, may attend closed sessions of the Board of Directors. Alternate Directors shall not act as alternates for Directors on the Executive Committee or standing committees.

RULE 13. COMPENSATION/REIMBURSEMENT FOR EXPENSES

- (a) Compensation: Members of the Board of Directors are entitled to receive \$100 per meeting per day, with a maximum of \$300 per month, for voting member attendance at OCFA publicly noticed (Brown Act compliant) meetings and the monthly Chair/Chief meeting.
- (b) Authorized Expenses: OCFA funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized OCFA business. The following types of occurrences qualify a Board Member to receive payment and/or reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses, and generally constitute authorized expenses, as long as the other requirements of this policy are met:
 - 1) Communicating with representatives of regional, state and national government on OCFA adopted policy positions;
 - 2) Attending conferences designed to improve Board Member's expertise and information levels, including, but not limited to, ethics training required pursuant to California Government Code Section 53234;
 - 3) Participating in regional, state and national organizations whose activities affect OCFA's interests;
 - 4) Recognizing service to OCFA (for example, acknowledging a longtime employee with a retirement gift or celebration of nominal value and cost);
 - 5) Attending OCFA events.

All other expenditures require prior approval by the OCFA Board of Directors at a public meeting. The following expenses also require prior Board of Directors' approval:

- 1) International travel;
- 2) Expenses exceeding \$2,500 per person, per trip.

Examples of personal expenses that OCFA will not reimburse include, but are not limited to:

- 1) The personal portion of any trip;
- 2) Political contributions or events;
- 3) Family expenses, including partner's expenses when accompanying a Board Member on OCFA-related business, as well as children or pet-related expenses;

- 4) Charitable contributions or events, unless the event has a direct relationship to OCFA business, (for example, acknowledging extraordinary deeds by OCFA personnel) is approved by the Fire Chief and does not exceed \$250;
- 5) Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
- 6) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
- 7) Personal losses incurred while on OCFA business.

Any questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

- (c) Expense and Reimbursement Guidelines: To conserve OCFA resources and keep expenses within appropriate standards for public officials, expenditures, whether paid directly by OCFA or reimbursed to a Board Member, Members should adhere to the following guidelines. Unless otherwise specifically provided, reimbursement for travel, meals, lodging, and other actual and necessary expenses shall be at the Internal Revenue Service rates presently in effect as established in Publication 463 or any successor publication.

Transportation: The most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements must be used, using the most direct and time-efficient route. In the event that a more expensive transportation form or route is used, the cost borne by OCFA will be limited to the cost of the most economical, direct, efficient and reasonable transportation form. Government and group rates offered by a provider of transportation services shall be used when available.

Automobile mileage is reimbursable at Internal Revenue Service rates in effect at the time of travel (see www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable.

Reasonable and necessary charges for public transportation, taxi, or shuttle service are reimbursable at actual cost with receipts.

Rental vehicles may be used during out-of-county travel and will be reimbursed at actual cost. Rental vehicles may be used when the efficient conduct of OCFA business precludes the use of other means of transportation or when car rental is the most economical mode available. Itemized original receipts must be submitted with vehicle rental claims.

Lodging: Actual lodging costs will be reimbursed or paid for when travel on official OCFA business reasonably requires an overnight stay. If such lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the group rate published by the conference or activity sponsor for the meeting in question, provided that the group rate is available at the time of

booking. Government and group rates offered by a provider of lodging services shall be used when available.

Non-reimbursable lodging-related expenses include, but are not limited to, costs for an extra person staying in the room, costs related to late check out or uncanceled reservations, in-room pay-per-view movie rentals, and non-OCFA business related phone calls. Itemized receipts must accompany claims for lodging reimbursements.

Meals: Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. OCFA will pay the actual cost of the meals, but will not pay for alcohol/personal bar expenses.

Telephone/Fax/ Cellular: Board Members will be reimbursed for actual telephone and fax expenses incurred on OCFA business. Telephone bills should identify which calls were made on OCFA business. For cellular calls when the Board Member has a particular number of minutes included in the Board Member's plan, the Board Member can identify the percentage of calls made on OCFA business.

Airport Parking: Long-term parking should be used for travel exceeding 24-hours. OCFA will pay the actual cost of long-term parking.

Other: Baggage handling at then current airport baggage rates per bag and gratuities of up to 15 percent will be reimbursed.

Miscellaneous: Actual expenses for registration, tuition, and parking are reimbursable for OCFA authorized business. Miscellaneous expenses must be supported with itemized receipts.

Expenses for which Board Members receive reimbursement from another agency are not reimbursable.

- (d) Expense Report Content and Submission Deadline: Expense reports must document that the expense in question meet the requirements of the policy. For example, if the meeting is with a legislator, the Board Member should explain whose meals were purchased, what issues were discussed and how those relate to the Authority's adopted legislative positions and priorities.

Board Members must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Receipts for gratuities and tolls under \$5 are not required.

- (e) Audits of Expense Reports: All expenses are subject to verification of compliance with this policy.
- (f) Reports to Governing Board: At the following Board of Directors' meeting, each Board Member shall briefly report on meetings attended at OCFA expense. If multiple Board Members attended, a joint report may be made.

- (g) Compliance with Laws: Board Members should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act.
- (h) Violation of this Policy: Misuse of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to OCFA, 3) OCFA's reporting the expenses as income to the elected official to state and federal tax authorities, and 4) prosecution for misuse of public resources.

RULE 14. AMENDMENT OF RULES OF PROCEDURE

No rule of the Board shall be adopted or amended except by resolution adopted by the Board.

HISTORY

Board Rules of Procedure adopted 01/28/99, Resolution 99-004

- Rule 1 Meeting schedule adopted by Board of Directors 03/30/95
Revised meeting schedule 03/01/97
Revised meeting schedule 08/28/97
Sections (a), (b), (c), and (f) revised to reflect change in meeting location 11/2/10, Resolution 2002-20
Sections (a), (b), (c), and (f) revised, to reflect change in meeting location 01/22/04 Resolution 2004-01
Section (b) reflect meeting going dark in December 09/23/10 Resolution 2010-14
Section (c) and (f) includes prior practice of posting agendas outside main entry gate 09/23/10 Resolution 2010-14
Section (a) define acronym RFOTC and remove June Board meeting dedicated for the purpose of approving the budget Resolution No. 2011-02.
Section (a) modify "Except as other provided in this Rule," to read, "Except as otherwise provide in this Rule or by Resolution of the Board," inclusion of "Special meetings may occur on other dates, times, and/or locations as noticed." Resolution No. 2014-
Section (b) reflect meeting time being changed from 6:00 p.m. to 5:30 p.m. 01/23/14 and inclusion of "Special meetings may occur on other dates, times, and/or locations as noticed." Resolution No. 2014-*
- Rule 2 Title to include "Minutes"
Section (b) adopted 06/22/96
Section (b) reflects prior practice of identifying Board "Member" Comments and Discussion "Calendar" on agenda 09/23/10 Resolution 2010-14
Section (2) corrects missing hyphen typo "two-thirds" 09/23/10 Resolution 2010-14
Section (d) adopted 09/27/12 Resolution 2012 05*
- Rule 3 Includes current practice in listing the order of business to include: Committee Reports, Minutes, Public Comments, and Closed Session Report 09/23/10 Resolution 2010-14 (b) and (c) added by Resolution 2013-07*
- Rule 4 Section (a) revised 01/22/04 Resolution 2004-01*
- Rule 5 Adopted 10/23/97 Resolution 97-024*
- Rule 6 Election date specified in the Joint Powers Agreement Creating the Authority, Article II, Section 7
Section (c) adopted 09/27/12 Resolution 2012-05*
- Rule 9 Formation specified in the JPA Agreement, Article II, Section 6
Membership revised to include standing committee chairs 06/22/96
Number of members to be set by Board of Directors 10/24/96
Powers delegated to Executive Committee 03/01/97
Standing Committee Chair alternate and At-large member 03/01/97
City Manager TAC as ex officio member 06/26/97
Membership revised to include immediate past Chair of the Board 10/23/97
Section (b) revised to define membership, 03/23/00 Resolution 2000-06
Section (b) revised and Section (c) added to clarify alternate member of the Executive Committee 09/27/01 Resolution 2001-13*

Section (b) revised number of members and ratio 01/22/04 Resolution 2004-01
Section (c) includes designation of voting alternate of the Budget and Finance Chair and filling vacancy of Immediate Past Chair position 09/23/10 Resolution 2010-14
Section (c) inclusion of clause should no prior Board of Directors be available to sit on Executive Committee as Immediate Past Chair Resolution No. 2011-02.

Rule 10 Committees established by Board 06/22/96
Section (g) adopted by the Executive Committee on 05/22/97
Committee chair elections set by Board 10/23/97
Section (c) amended to achieve balance on Budget and Finance Committee between the number of members representing Structural Fire Fund and Cash Contract cities, 07/22/99 Resolution 99-23
Sections (a) through (g) revised to reflect disbanding of Administration & Personnel and Planning & Operations Committees 03/23/00 Resolution 2000-06
Section (a) designates that alternate directors shall not stand in for directors on standing committees 09/23/10 Resolution 2010-14
Section (b) designates regular Budget and Finance Committees meetings date, time, and location 09/23/10 Resolution 2010-14
Section numbers (c-f) rennumbers to subsections (b1-b4) 09/23/10
Section (c) changed to (c1-c3) reflecting the new Claims Settlement Committee 09/23/10 Resolution 2010-14
Section (c) changed Claims Settlement Committee meeting time from 5:00 p.m. to 5:30 p.m
Section (b) inclusion of "Special meetings may occur on other dates, times, and/or locations as noticed." Resolution No. 2014-
Section (c) changed Claims Settlement Committee meeting time from 5:30 p.m. to 5:00 p.m. inclusion of "Special meetings may occur on other dates, times, and/or locations as noticed." Resolution No. 2014-
Section (d) added reflecting the new Human Resources Committee 01/23/14 Resolution 2014-

Rule 11 Adopted 03/24/05, Resolution 2005-05
Changed Rule 11 subject to Designated Labor Negotiations renumbered former Rule 11 to Rule 12 09/23/10 Resolution 2010-14
Amended Rule 11(a) to include reorganization of Board/BFC Committee prior to completion of Fire Chief's Evaluation process 09/27/12 Resolution 2012-05
Section (b) Change title from Chief Deputy to Deputy Fire Chief and remove the word "management" Resolution 2014-

Rule 12 Policy set forth in the JPA Agreement, Article II, Section 2.
Revised 07/27/95 Resolution 95-13
Revised to allow compensation 03/23/00 Resolution 2000-08
Rule Number changed from 11 to 12, 03/24/05 Resolution 2005-05
Revised to add Travel Reimbursement Policies 11/17/05 Resolution 2005-30
Former Rule 11 changed to Rule 12, due to renumbering of former Rule 11 to Rule 12 and reflect that alternate directors will stand in for directors on the Executive Committee 09/23/10 Resolution 2010-14

Rule 13 Rule Number changed from 12 to 13, 03/24/05 Resolution 2005-05
Former Rule 12 changed to Rule 13, due to renumbering of Rule 11 09/23/10 Resolution 2010-14

Section (c)Other: changes baggage handling fee to current airport baggage rates

09/23/10 Resolution 2010-14

Rule 13 (a) amended to clarify “publicly noticed (Brown Act compliant)meeting are stipend eligible meetings 09/27/12 Resolution 2012-05

Rule 14 Rule Number changed from 12 to 13, 03/24/05, Resolution 2005-05

Former Rule 13 changed to Rule 14, due to renumbering of Rule 1109/23/10 Resolution 2010-14

CONSENT CALENDAR - AGENDA ITEM NO. 4
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Keith Richter, Fire Chief

SUBJECT: **Management Partners' Organizational Structure and Management System Review**

Summary:

This item is submitted to provide an update regarding the Organizational Structure and Management System Review conducted by Management Partners.

Recommended Action:

Receive and file the report.

Background:

At the November 21, 2013, meeting of the OCFA Executive Committee, Management Partners was retained to conduct an organizational structure and management systems review. To date, Management Partners has distributed an electronic survey link to all Directors and an internal electronic survey to all OCFA employees. Seventeen surveys have been submitted by the Directors, and employees have until January 22, 2014, to return their surveys. Interviews have been conducted with various staff members and focus groups meetings are scheduled to meet on January 29 and 30, 2014.

Attached is a progress report from Management Partners that describes the detailed actions taken to date and provides a schedule for the duration of the project.

Impact to Cities/County:

Not Applicable.

Fiscal Impact

None.

Staff Contact for Further Information:

Keith Richter, Fire Chief

keithrichter@ocfa.org

(714) 573-6010

Craig Kinoshita, Deputy Fire Chief

craigkinoshita@ocfa.org

(714) 573-6014

Attachment:

Memorandum from Management Partners

Management Partners



To: Keith Richter, Fire Chief
Orange County Fire Authority

From: Amy Cohen Paul, Corporate Vice President
Cathy Standiford, Partner

Subject: Progress Report – Management System Review

Date: January 9, 2014

The Orange County Fire Authority (OCFA) retained Management Partners to examine the organization's structure and management systems to identify opportunities to improve oversight, accountability, communication and performance. The purpose of this memorandum is to report on the status of various activities and next steps.

Project Update

Management Partners began the project on December 12, 2013 and will complete it by March 31, 2014.

Tasks Completed

The following is a summary of the tasks completed or in progress as of January 9, 2014.

Activity 1 – Start Project

- Convened a meeting with the OCFA Board Chair and Vice Chair, Fire Chief, and Deputy Chief to review the project goals, work plan and schedule and to discuss logistics for interviews, surveys and focus groups.
- Obtained and reviewed background information to facilitate the development of interview and survey questions.

Activity 2 – Gather Information from Board Members, Managers and Employees

- Interviews with a total of 22 executive and senior managers have been completed. They were conducted on site by Amy Paul, Cathy Standiford and Ned Pettus. Follow up interviews were held with some managers to obtain additional information.
- Interviews with seven Executive Committee members have been completed. Interviews with the remaining members of the Executive Committee, as well as with other board members expressing an interest in being interviewed, are in the process of being scheduled.

- A survey for Board members was prepared and distributed electronically on December 26. As of January 8, a total of 17 Board members have completed the survey. The deadline for responding is Friday, January 10.
- A survey for OCFA employees has been prepared. The survey link was distributed to both safety and non-safety employees on January 8, with a deadline for completion of January 22.
- Seven employee focus groups have been scheduled for January 29 and 30.

Next Steps

During the next month we will complete the remaining Board member interviews, compile the results of the Board and employee surveys, and facilitate the focus groups. In addition, we will begin to analyze OCFA's organization structure, management systems and operations (Activity 3.) A schedule (in weeks) is attached.

If you have any questions about the status of these or other project activities, please contact either Cathy Standiford (714-222-0141) or Amy Paul (513-309-3709).



Schedule

Organizational Structure and Management System Review Orange County Fire Authority

	Start	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
	12/2	12/9	12/16	12/23	12/30	1/6	1/13	1/20	1/27	2/3	2/10	2/17	2/24	3/3	3/10	3/17	3/24	
Activity 1: Start and Manage Project																		
1.1	Develop work plan and schedule, prepare document request																	
1.2	Convene kickoff meeting		12/12															
1.3	Refine work plan and schedule																	
Activity 2: Gather Information from Board Members, Managers and Employees																		
2.1	Review background information and documents																	
2.2	Conduct Board and Executive Committee interviews																	
2.3	Conduct management interviews																	
2.4	Summarize interview themes																	
2.5	Design and deploy electronic surveys, summarize results																	
2.6	Facilitate focus groups and summarize results									1/29 & 30								
Activity 3: Conduct Analysis																		
3.1	Analyze organizational structure, reporting relationships, spans of control, functional alignment																	
3.2	Review and analyze current management systems																	
3.3	Analyze business plans for consistency with strategic objectives																	
3.4	Analyze performance metrics																	
3.5	Develop preliminary observations and recommendations																	
Activity 4: Report Results																		
4.1	Provide Board updates																	
4.2	Review preliminary observations and recommendations with management																	
4.3	Draft project report																	
4.4	Review draft report with management																	
4.5	Finalize report																	
4.6	Develop Board presentation																	
4.7	Present report to Board																	
Activity 5: Support Implementation																		
5.1	Draft implementation action plan																	
5.2	Review draft implementation action plan with management																	



CONSENT CALENDAR – AGENDA ITEM NO. 5
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Update on the OCFA 911 Emergency Ambulance Contract Phase 1 Request for Proposals**

Summary:

This item is submitted to provide an update on the progress of the 911 Emergency Ambulance Request for Proposal (RFP).

Recommended Action:

Direct staff to continue working with Orange County Emergency Medical Services to assist with the OCFA 911 Emergency Ambulance Contract Request for Proposal process, as authorized by the State and/or County.

Background:

2003 EOA Consolidation

In June 2003, the Orange County Board of Supervisors took action to update the former ambulance service areas (ASAs), which are currently referred to as exclusive operating areas (EOAs), to reflect demographic changes and city incorporations since 1985. This action resulted in a consolidation of several former ambulance service areas and reduced the total number of exclusive operating areas to 22, effective July 1, 2004. This action also resulted in the consolidation of the former County unincorporated ambulance service areas with adjacent city exclusive operating areas

2004 Request for Proposal and Contract Awards

During the summer of 2004, the OCFA and its partner jurisdictions awarded Emergency Ambulance Contracts for the 19 Exclusive Operating Areas (EOAs) located within the OCFA's jurisdiction. The EOAs excluded the City of Buena Park (which handles its own contract RFP process) and at the time, the cities of San Clemente and Westminster (which provide their own transport service). The new contracts were effective September 1, 2004, for an initial term of five years (through 2009) and with an option to extend the agreements for an additional five years (through 2014).

2007 Board Actions

At its meeting on August 2, 2007, the Board of Directors directed staff to initiate steps to extend the existing Emergency Ambulance Contracts that were awarded by the OCFA Board of Directors with all providers that were willing to renew. Contracts were to be renewed for an additional five-year term (through 2014) under the same terms and conditions as the existing

contracts. The Board also directed staff to assist the cities that awarded their own Ambulance Service Area Contracts in extending their existing agreements or, if the city or the provider desired otherwise, assist them in conducting a new contract process.

2008 RFP process

Based on discussions with the cities, the following EOA’s were included in the 2008 RFP process.

<i>EOA #</i>	<i>City</i>	<i>Included County Areas</i>
5	Cypress	
13	La Palma	
14	Los Alamitos	Rossmoor
19	San Juan Capistrano	Ortega Hwy
21	Seal Beach	Sunset Beach, Bolsa Chica
22	Stanton	Midway City
24	Villa Park	Orange/Olive, Orange Park, Silverado
29	Rancho Santa Margarita	Trabuco, O’Neill Park, Las Flores, Coto de Caza
30	Laguna Niguel	
42	Lake Forest	Modjeska, upper Trabuco/Cooks

All contracts were awarded for five years and were not renewable. This allowed for all 19 contracts to be competitively bid at the same time in 2014.

2010 and 2012 RFP processes

In 2010 and 2012, OCFA and city staff conducted the RFP process for the cities of Westminster and Santa Ana respectively. Both contracts were for a not to exceed duration of five years.

2014 Competitive RFP Process

OCFA conducts the Emergency Ambulance RFP process in two phases. The initial prequalification phase (Phase 1) is designed to create a pool of qualified and experienced providers that meet the minimum prequalification criteria. Bidders that meet the Phase 1 criteria will be offered the opportunity to participate in Phase 2. During the second phase, the proposals are reviewed, evaluated and ranked by a proposal grading panel. Contracts are then awarded based on the applicable governing body’s evaluation of the RFP materials and rankings provided by the proposal grading panel.

In some cases, contracts have historically been awarded to a bidder which was deemed to have been qualified in Phase 1 of the OCFA’s RFP process, but was not the bidder with the highest number of points in Phase 2. Historically, the County and State Emergency Medical Services Authority (EMSA) have approved OCFA’s method of conducting the 911 Emergency Ambulance RFP process in two phases, and have allowed the governing bodies the ability to select a prequalified bidder that does *not* have the highest number of points.

State EMSA Review of the 2014 Garden Grove RFP

OCFA staff recently received a copy of the State EMSA review of the 2014 Garden Grove 911 Emergency Ambulance Transportation Request for Proposal (RFP). Based on the comments included in the document, it appears that the State EMSA has implemented changes to its past practice for requirements that must be fulfilled before they will approve an RFP, including the formal bid opening, proposal review, and final award proposal requirements. Notably, the State EMSA indicated in two different sections of the RFP review comments that:

- An RFP should be awarded to the bidder who has the highest number of points. Per EMSA’s legal counsel, “the City Council may only have discretion to accept that entity as the winning bidder, or may reject them, in which case, they go out to bid again.”
- The City Council, as the legislative body of the City, retains the sole and complete discretion to select the successful proposer based upon its receiving the highest number of points determined by the score of the selection committee. The decision of the City Council will be final. The City Council retains the right to reject all bids and cancel the solicitation prior to the announcement of the intended awardee.

This required revision in the past practices arises from the State’s recent interpretation of State Guideline EMSA #141. It should also be noted that the State guidelines (EMSA #141) have not changed, but rather a new interpretation by the State EMSA on how they should be applied when reviewing 911 Emergency Ambulance RFPs has occurred.

Attachment 1 is a request from OCFA to the County Emergency Medical Services (EMS) Medical Director seeking clarification on the past practice of awarding contracts to a bidder without the highest points. Attachment 2 is the response in which the State EMSA (through the County Medical Director) states that in order for OCFA (or for cities that retained contract awarding authority) to remain protected (from anti-trust violations) for exclusive operating zones (areas), the bidder with the highest score must be awarded the RFP or the RFP may be publicly rejected and taken out to bid again using a new state approved RFP.

City Manager Briefing

On January 9, 2014, a meeting was held with the City Managers, OCFA Management, and Orange County EMS staff to discuss the status of the RFP and answer questions about the new State EMSA requirements. County EMS staff discussed the recent State EMSA guidance on awarding contracts to the highest bidder. The EMS staff stated that this was a new interpretation of the current EMSA guidelines, and that they learned of it based on the State’s review of the Garden Grove RFP.

County EMS staff also informed the attendees that based on recent correspondence with the State EMSA, the authority to allow OCFA to conduct the RFP process is in question by the State. Specifically, they indicated that in reference to a Butte County 2010 decision, the State EMSA might not allow the County to delegate authority to the OCFA to conduct the Ambulance RFP process. If the State decides that the County cannot delegate this process to OCFA, it is possible

that this decision might also apply to other non-OCFA cities in Orange County. County EMS is trying to get a final determination from the State as soon as possible. They anticipate that the final determination may be provided after the State reviews the draft Phase 1 RFP documents submitted by OCFA, estimated to take about 2-3 weeks.

Summary

Regardless of which agency is assigned responsibility for performing the RFP process, OCFA staff will remain available to help, as authorized and desired by our member agencies. Staff will provide additional updates to the Board as information becomes available.

Impact to Cities/County:

- For cities that delegated contracting authority to the OCFA Board of Directors, the Board will be required to select the bidder with the highest points as the 911 emergency ambulance provider for each EOA, or reject all bids.
- For cities that retained contracting authority, the City will be required to select the bidder with the highest points as its 911 emergency ambulance provider or reject all bids. Since this new required approach differs from past practice, a City that elected to retain contracting authority may wish to modify its election in light of the new interpretation by the State EMSA.
- Attachment 3 is a list of EOAs reflecting those cities which delegated contracting authority to the OCFA Board and those cities which retained contracting authority.

Fiscal Impact:

None

Staff Contacts for Further Information:

Debbie Casper, C.P.M., CPPB, Purchasing & Materials Manager
Business Services Department
debbiecasper@ocfa.org
(714) 573-6641

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

Attachments:

1. OCFA letter to County EMS – requesting clarification of final selection process
2. County EMS letter discussing response from the State EMSA to OCFA inquiry
3. List of Exclusive Operating Areas for the 2014 RFP Process



**COUNTY OF ORANGE
HEALTH CARE AGENCY**

**HEALTH DISASTER MANAGEMENT
EMERGENCY MEDICAL SERVICES**

SAMUEL STRATTON, MD, MPH
MEDICAL DIRECTOR
405 W FIFTH STREET, ST 301A
SANTA ANA, CALIFORNIA 92701

TELEPHONE: 714- 834-2824
FAX: 714- 834-3125

ssratton@ochca.com

December 30, 2013

Fire Chief Keith Richter
Orange County Fire Authority
P.O. Box 57115
Irvine, California 92619-7115

SUBJECT: 9-1-1 EMERGENCY AMBULANCE TRANSPORT RFP PROCESS

Dear Chief Richter:

This letter is to follow-up on the letter dated December 24 regarding the OCFA Emergency Ambulance Transportation RFP process and the question of the ability of a city council to choose from among qualified bidders or if required to choose the highest scoring bidder.

In telephone conversation this afternoon with Mr. Tom McGinnis of the California EMS Authority, it was clarified that the Authority expects that the qualified RFP bidder for a state antitrust protected exclusive ambulance zone who scores the highest in the RFP process is to be awarded the contract offer.

Presumably, if the government body conducting the RFP is not prepared to accept the results of that current RFP, it may be publicly rejected by the government body and taken out to bid again using a new state approved RFP.

Please have your staff contact me with any questions, I am available at 714 834 2824 or ssratton@ochca.com.

With best regards,

A handwritten signature in black ink, appearing to read "S. Stratton".

Sam J. Stratton, MD, MPH
Orange County EMS Medical Director

CC: OCEMS Program Administrator
OCFA Finance Manager/Auditor
California EMSA EMS Systems Division Chief

SJS/sjs/#1883



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

December 24, 2013

Samuel J. Stratton M.D., M.P.H.
 OCEMS Medical Director
 County of Orange Health Care Agency
 405 W. Fifth Street, Suite 301A
 Santa Ana, CA 92701

Dear Dr. Stratton:

Subject: OCFA 911 Emergency Ambulance Transportation Request for Proposal Process

OCFA staff recently received a copy of the State EMSA review of the Garden Grove 911 Emergency Ambulance Transportation Request for Proposal (RFP). Based on the comments included in the document, it appears that the State EMSA has implemented significant changes to its past practice for requirements that must be fulfilled before they will approve an RFP, including the formal bid opening, proposal review, and final award proposal requirements. Notably, the State EMSA indicated in two different sections of the RFP review comments that:

- An RFP should be awarded to the bidder who has the highest number of points. Per EMSA's legal counsel, "the City council may only have discretion to accept that entity as the winning bidder, or may reject them in which case they go out to bid again."
- The City Council, as the legislative body of the city, retains the sole and complete discretion to select the successful proposer based upon its receiving the highest number of points determined by the score of the selection committee. The decision of the City Council will be final. The City Council retains the right to reject all bids and cancel the solicitation prior to the announcement of the intended awardee.

As you are aware, OCFA conducts its RFP process in two phases. The initial prequalification phase (Phase 1) is designed to create a pool of qualified and experienced providers that meet the minimum prequalification criteria. Bidders that meet the Phase 1 criteria will be offered the opportunity to participate in Phase 2. During the second phase, the proposals are reviewed, evaluated and ranked by a proposal grading panel. Contracts are then awarded based on the applicable governing body's evaluation of the RFP materials and rankings provided by the proposal grading panel. In some cases, contracts have historically been awarded to a bidder which was deemed to have been qualified in Phase 1 of the OCFA's RFP process, but which was not the bidder in Phase 2 with the highest number of points. Historically, the County and State EMSA's have approved OCFA's method of conducting the 911 Emergency Ambulance RFP process in two Phases, and have allowed the governing bodies the ability to select a prequalified bidder that does *not* have the highest number of points.

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

RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES

OCFA 911 Emergency Ambulance Transportation Request for Proposal Process

December 24, 2013

Page 2 of 2

We need your help in determining what impact the response from the State EMSA to Garden Grove will have on the OCFA RFP process. We are in the process of finalizing the Phase 1 RFP for release to your office early next week and we would like to incorporate any mandatory changes, consistent with the State EMSA #141 guideline (Competitive Process for Creating Exclusive Operating Areas), prior to the release. *Will the State EMSA's response to Garden Grove be applied to OCFA in a manner which would preclude the applicable governing body from awarding a contract based on its own evaluation of the RFP materials and proposal ranking from prequalified bidders?*

Thank you in advance for your assistance and attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Keith Richter". The signature is written in a cursive, flowing style.

Keith Richter, Fire Chief
Orange County Fire Authority

Cc: Lori Zeller, OCFA Assistant Chief of Business Services
Jim Ruane, OCFA Finance Manager/Auditor
Debbie Casper, OCFA Purchasing Manager
Tammi McConnell, OCEMS Program Manager/MSN/RN
Darlene Gidley, OCFA Consultant

**Orange County Fire Authority
2014 Emergency Ambulance Contract RFP Process**

List of Exclusive Operating Areas

Staff has completed working with all member agencies to determine if they would like to retain or delegate to OCFA the final contract award authority. The results are the following:

<i>EOA</i>	<i>City</i>	<i>Included County Areas</i>	<i>Retain/Delegate</i>
5	Cypress		Delegate
10	Irvine	JWA	Delegate
13	La Palma		Delegate
14	Los Alamitos	Rossmoor	Delegate
17	Placentia	Brea Unincorporated, Tonner Canyon	Delegate
19	San Juan Capistrano	Ortega Highway	Retain
21	Seal Beach	Sunset Beach, Bolsa Chica	Delegate
22	Stanton	Midway City	Delegate
23	Tustin	Cowan Heights, Lemon Heights	Retain
24	Villa Park	Orange/Olive, Orange Park, Silverado	Delegate
26	Yorba Linda	Chino Hills State Park	Delegate
28	Laguna Hills		Delegate
29	Rancho Santa Margarita	Trabuco, O'Neil Park, Las Flores, Coto de Caza	Retain
30	Laguna Niguel		Retain
32	Aliso Viejo	Woods/Aliso Canyon	Retain
35	Laguna Woods	Newport Coast, Unincorporated Laguna Wilderness	Delegate
38	Mission Viejo		Retain
39	Dana Point		Retain
42	Lake Forest	Modjeska, Upper Trabuco/Cooks	Retain

CONSENT CALENDAR - AGENDA ITEM NO. 6
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Award of Construction Contract for New Fire Station 56, Sendero Ranch**

Summary

This report seeks approvals to award a contract for the design and construction of Fire Station 56, Sendero Ranch and to approve a project contingency fund.

Recommended Actions:

1. Accept the design-build proposal submitted by Erickson-Hall Contractors.
2. Award the contract for design and construction of Fire Station 56 to Erickson-Hall Construction for a guaranteed maximum cost not to exceed \$5,000,000 dollars.
3. Authorize a 5% construction contingency of \$250,000 dollars.

Background

On January 24, 2013, the Board of Directors authorized the Fire Chief to utilize the design-build project delivery method for the construction of fire stations; which includes a prequalification and RFP process used for Fire Station 56 in Ortega Valley.

RFSQ Facts & Figures

In July 2013, OCFA released a Request for Statement of Qualification (RFSQ) DC1840.

Department/Section: Property Management

Date RFSQ Issued: July 11, 2013	Number of Firms Notified: 420
Pre-Submittal Meeting: July 24, 2013	Firms at Pre-Submittal Meeting: 25
RFSQ Due Date: August 8, 2013	RFSQs Received: 11

On August 8, 2013, eleven (11) Design-Build Entities (D-BE) submitted statements of qualifications.

<i>Burge Corporation</i>	<i>Griffin Swinerton</i>
<i>EPC Echo Pacific</i>	<i>Morley</i>
<i>Erickson Hall</i>	<i>R.C. Construction</i>
<i>R.I.C. Construction</i>	<i>USS Cal Builders</i>
<i>T.B. Penick & Sons</i>	<i>Vanir Construction</i>
<i>Toby B. Hayward Construction</i>	

The D-BE includes a general contractor and licensed architect that team up to complete the design and construction. Each DB-E provided its combined qualification to design and build Fire Station 56. Each submission was evaluated based on the following criteria (as defined in the RFSQ):

- a. Experience and qualification of the D-B project team as an entity
- b. DB-E history and experience in delivery of DB fire stations in California
- c. Business performance
- d. Licenses
- e. Other qualifications
- f. References

The evaluation process resulted in the selection of three final D-BE teams. The results of the evaluations are shown below:

DBE	Score	Ranking
Erickson - Hall	97.83	1
RC Construction	90.73	2
T.B. Penick	90.65	3
R.I.C. Construction	88.75	4
Echo Pacific	88.55	5
Burge Corp	88.23	6
Griffin-Swinerton	87.78	7
Vanir	81.04	8
Toby Hayward	79.37	9
USS Cal Builders	77.33	10
Morley	64.17	11

On November 15, 2013, OCFA issued a Request for Proposal (RFP) DC1840 to the three top ranked DB-E teams to design and construct Fire Station 56, Sendero Ranch, for a guaranteed maximum cost not to exceed \$5,000,000. Prior to the issuance of the RFP, staff invited all three entities to attend a group meeting to discuss the RFP, and to review all the elements of the OCFA contract requirements. All three entities submitted proposals. Each was evaluated to determine the “best value” according to the following criteria:

- a. Overall excellence and value in design and engineering (10 points)
- b. Life cycle durability and cost savings of building systems (10 points)
- c. Innovation in energy efficiency and energy management (10 points)
- d. Quality of furniture, fixtures and equipment (10 points)
- e. Compliance with the Rancho Mission Viejo PA-1 Sendero Ranch Design Guidelines, OCFA Basis of Design, & Compliance with Provisions of Extreme High Fire Severity Zone (10 points)
- f. Value added enhancements (10 points)

- g. Skilled Labor Force Ability (*required by Public Contract Code*) (10 points)
- h. Acceptable Safety Record (*required by Public Contract Code*) (10 points)
- i. Technical Design & Construction Expertise (*required by Public Contract Code*) (10 points)
- j. Proposed Costs (*required by Public Contract Code*) (10 points)

Proposal Evaluations

A team comprised of the OCFA Property Manager, Construction Manager, and a Battalion Chief evaluated each proposal. An architect representing the Rancho Mission Viejo Company provided feedback as a non-voting member. Each team was invited to make a presentation on their proposal.

The evaluation process for the three finalists addressed a preliminary site plan, station floor plan, roof/mechanical plan, furniture, fixtures, equipment, preliminary landscape plan and building elevations. The balance of the final plans and specification will be forthcoming. The station site provided by the Rancho Mission Viejo Company is a blue top rough graded condition with utilities sited at the property line. This will allow the D-BE to begin the construction process progressively as plans are approved by OCFA and Orange County Building governance. The attached contract notes that when the final plans and specification have been completed and approved, they become part of the project construction contract. The summarized evaluation scores are provided in Attachment 3.

Final rankings were as follows:

DB-E	Evaluator 1	Evaluator 2	Evaluator 3	Total
Erickson - Hall	1	1	1	3
T.B. Penick	2	2	2	6
RC Construction	3	3	3	9

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 the Design Build Construction of Station 56, be awarded to Erickson Hall.

Impact on Cities/County:

None

Fiscal Impact:

\$5,250,000 has been authorized in the Capital Improvement Budget, Fund 123. It is sufficient to provide the guaranteed maximum cost of the fire station and a 5% contingency.

Staff Contacts for Further Information:

Steve Chambers, Property Manager
Support Services Department
stevechambers@ocfa.org
(714) 573-6471

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

Attachments:

1. Erickson-Hall Construction Proposal dated December 19, 2013, Response to DC 1840
(on file in the Office of the Clerk)
2. OCFA Standard Contract for Construction of Fire Station 56, Sendero Ranch
3. RFP Design Build Ratings

Orange County Fire Authority
Design - Build Contract
For
Orange County Fire Authority Fire Station 56 Sendero Ranch

This Design-Build Construction Contract ("Agreement") is entered into on the 23rd day of January 2014 by the Orange County Fire Authority ("Authority"), a joint powers authority organized under the laws of the state of California, and Erickson-Hall Construction Inc., a licensed California General Contractor here in after referred to as Contractor. Authority and Contractor are sometimes collectively referred to in this Agreement as the "Parties" and individually referred to as a "Party."

RECITALS

The following recitals are a substantive part of this Contract:

- A. The Authority is a governmental entity providing fire and life safety services within Orange County, California
- B. The Authority desires to construct using the design-build project delivery method, a new Fire Station No. 56, Ortega Valley, located at 56 Sendero Way, Sendero Ranch in unincorporated Orange County, California, ("Project"). The Authority desires to have the Project constructed and developed in an integrated, functional, attractive, and energy efficient way so that the operational goals of the Authority can be achieved while ensuring that the Project will be an environmental, cultural, social, and governmental benefit to the neighboring communities.
- D. The Authority desires the combined design, engineering and construction services of an experienced professional, highly qualified design-build entity, expert in both full service architectural design and construction to act as the Authority's Design-Build Contractor in the development and construction of the Project. Contractor shall be responsible to complete all aspects of design, engineering and construction services and processes required to deliver a complete fire station as described in the plans and specifications approved by OCFA, attached here to as Exhibit A.
- E. Contractor represents that it has thoroughly investigated and considered the work to be performed; that it has carefully considered how the services should be performed; and that it fully understands the facilities, difficulties, and restrictions attending performance of the work required under this Agreement and the Contract Documents. Contractor warrants that it is able to expertly manage every aspect of design, engineering and construction, including management of its work forces, suppliers, and all subcontractors necessary to ensure the construction, development, and completion of the Project on time and within budget. Contractor further represents that it possesses a commitment to excellence and complete familiarity with all appropriate building methods and materials that will enable the Contractor to complete its obligations under this Agreement.
- F. The Contractor is ready, willing, and able to ensure that all work specified in the Contract Documents will be performed, installed, constructed, and completed in a professional and expert manner and that all such work will be completed on time and within budget.

- G. Contractor represents that it is regularly and appropriately licensed as a general Contractor and as an architect/engineer in the State of California and is qualified and expert in all respects to provide the required and desired work as generally described in these Recitals and more specifically described in the Contract Documents, and that its officers and employees, suppliers, and subcontractors are sufficient in number and possess the knowledge, experience, and character necessary to qualify them individually as expert for the particular duties they are to perform.

Authority and Contractor agree to the following:

1. **Scope of Work.**

Contractor shall complete all functions and requirements required to design and construct the Project and will furnish all design, engineering, and construction including all supervision, labor, materials, equipment, tools, utility services, transportation and incidentals, including permits, fees and all costs needed to perform and complete all work required in connection with the construction and occupancy of the Project in strict accordance with the Contract Documents and each of its component parts as enumerated herein below.

2. **Contract Price.**

Authority shall pay to Contractor as full consideration for the faithful performance of the Agreement, the sum of five million dollars (\$5,000,000). This sum is the total amount stipulated as a guaranteed maximum price, design-build cost in the Request for Proposal DC 1840 dated November 15, 2013, and the Contractor's responding Proposal dated December 19, 2013. Payment shall be made as set forth in the General Conditions.

3. **Time of Commencement and Completion.**

Contractor will commence the work under this Agreement within ten days of the date of the Notice to Proceed and complete the work within three hundred sixty-five (365) consecutive calendar days ("Contract Duration") from the date of the Notice to Proceed. The Contract Duration of three hundred sixty-five (365) consecutive calendar days includes an allowance of thirty (30) calendar days for County plan check and approval process resulting in construction permitted documents ("County Approval Process"). If the County Approval Process exceeds thirty (30) calendar days, the Contract Duration will be extended by the number of calendar days that the County Approval Process exceeds thirty (30) calendar days. As used in this Agreement, "complete" shall mean when all portions of the work have been completed or installed in accordance with the Plans and Specifications with a Certificate of Occupancy received by OCFA and a Notice of Completion recorded by the OCFA. The work may be deemed complete even if minor items require minor correction, if agreed to by OCFA.

4. **Contract Documents.**

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

- (1) OCFA Request for Proposal DC 1840
- (2) Orange County Fire Authority General Conditions
- (3) Special Conditions: Rancho Mission Viejo Company PA-1 Approval Process and Guidelines
- (4) Geotechnical Observation and Testing of Rough Grading, GMU Project N. 11-108-10
- (5) Drawings and Specifications for Fire Station 56 (produced by Contractor and approved by OCFA)
- (6) Contractor Proposal responding to DC 1840 of December 19, 2013
- (7) Contractor Bid Bond dated December 19, 2013
- (8) Contractor Performance Bond
- (9) Contractor Labor and Materials Payment Bond

- (10) Designation of Subcontractors
- (11) Non-Collusion Affidavit
- (12) Site Visit Certification notarized October 20, 2013.
- (13) Contractor Certification of Workers' Compensation
- (14) Contractor Construction Guarantee
- (15) Contractor Response to RFSQ DC 1840 dated December 19, 2013
- (16) Addenda to DC 1840, Number 1 and 2
- (17) Project Bridging Documents - Orange County Fire Authority Basis of Design
- (18) Erickson-Hall Contractor's Construction Schedule
- (19) Supplemental Agreements amending or extending the Work contemplated and which may be required to complete the Work in a substantial and acceptable manner.

All of the above component documents of the Contract Documents are complementary and any work required by one of the above documents shall be done as if required by all.

IN WITNESS WHEREOF, Authority and Contractor have executed this Agreement as of the date first set forth above.

"Contractor"

Erickson-Hall Construction
 Contractor's State License No.: 751343
 Expiration Date: July 31, 2014

By: 
 Title: Chief Operating Officer
Erickson-Hall Construction Co.
 Date: 01/15/2014

If Contractor is a corporation, a Corporate Resolution and/or Corporate Seal is required.

"Authority"

Orange County Fire Authority

ATTEST:

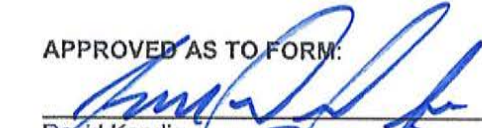

By: _____
 Steven Weinberg, Chair
 OCFA Board of Directors

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

Date: _____

Date: _____

APPROVED AS TO FORM:


 David Kendig
 OCFA General Counsel

 Date: 1/16/14

**ORANGE COUNTY FIRE AUTHORITY
DC1840 - Design Build RFP**

Attachment 3

	Erickson Hall/WLC			TB Penick & Jeff Katz Design			RC - STK		
Cost Proposal	\$5,000,000			\$4,999,999			\$4,883,000		
Evaluators	1	2	3	1	2	3	1	2	3
A. Overall Excellence & Value in Design & Engineering (10 Points)	9	10	9	7	8	6	7	7	7
B. Life Cycle Costs/Durability Cost Saving of Building Systems (10 points)	8	10	8	9	9	9	9	8	8
C. Innovation in Energy Efficiency & Energy Mgmt (10 points)	8	9	8	9	10	8	7	9	8
D. Quality of Features, Furniture, Fixtures & Equipment (10 points)	10	10	9	10	10	9	10	9	9
E.,F.,G. Compliance with RMV Guidelines, OCFA Basis of Design, & Compliance w/provisions of Extreme High Fire Severity Zone (10 points)	10	10	10	9	9	7	8	8	8
H. Value Added Enhancements (10 points)	9	10	9	10	10	9	8	9	8
Skilled Labor Force Availability (10 points)	10	10	10	10	10	10	10	10	10
Acceptable Safety Record (10 points)	10	10	10	10	10	10	10	1	1
Technical Design & Construction Expertise (10 points)	10	10	10	7	10	7	7	10	9
Proposed Cost - (10 points)	9	9	9	9	9	9	10	10	10
Sum of Proposal Ratings	93.00	98.00	92.00	90.00	95.00	84.00	86.00	81.00	78.00
Ranking	1	1	1	2	2	2	3	3	3
Sum of Ranking (Presentation & Written)	3			6			9		

CONSENT CALENDAR – AGENDA ITEM NO. 7
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Dave Thomas, Assistant Chief
Operations Department

SUBJECT: **Approval of Agreement for Transfer or Purchase of Equipment/Services or for Reimbursement of Training Costs for FY 2012 Urban Areas Security Initiative (UASI) Between the City of Santa Ana and the Orange County Fire Authority**

Summary:

This item is submitted for approval of the Agreement to Transfer or Purchase Equipment/Services and for Reimbursement of Training Costs for FY 2013 Urban Areas Security Initiative between the City of Santa Ana and the Orange County Fire Authority. These resources will be utilized to enhance the OCFA's ability to prevent, prepare for, respond to, and recover from domestic and international terrorism.

Recommended Actions:

1. By Resolution approve and authorize the Fire Chief to execute the Agreement to Transfer or Purchase Equipment/Services and for Reimbursement of Training Costs for FY 2013 Urban Areas Security Initiative between the City of Santa Ana and the Orange County Fire Authority.
2. Direct staff to include \$8,535.00 in increased revenue and appropriations in the FY 13/14 budget, which will be allocated to reimburse OCFA for preapproved training. Any unspent funds will be re-budgeted to the next fiscal year.

Background

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

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

Utilizing the Strategic Initiatives developed by the Urban Area Working Group, priorities were established for equipment, training and planning. This agreement (Attachment 2) will allow the OCFA to transfer or purchase equipment, and obtain reimbursement for pre-approved training, travel, overtime, and backfill costs through the UASI grant.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

This will result in an increase of \$8,535.00 to revenue and appropriations to the FY 2013/14 budget.

Staff Contact for Further Information:

Mike Petro, Battalion Chief
Emergency Planning and Coordination
mikepetro@ocfa.org
(714)573-6056

Attachment:

1. Proposed Resolution
2. Proposed Agreement

RESOLUTION NO. 2014-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS AUTHORIZING FIRE CHIEF TO EXECUTE
DOCUMENTS NECESSARY TO OBTAIN FEDERAL ASSISTANCE**

WHEREAS, the City of Santa Ana, acting through its Police Department in its capacity as the lead agency for the Orange County Operational Area, has applied for, received and accepted a Urban Area Security Initiative Grant Program grant (the “Grant”), subgranted by the State of California, acting through its Governor’s Office of Emergency Services, to enhance county-wide emergency preparedness; and

WHEREAS, the terms of the Grant require the County to use certain grant funds to purchase equipment, technology or services that will be transferred to the Orange County Fire Authority (“OCFA”) as subgrantee to be used for grant purposes; and

WHEREAS, the California Supplement to Federal Program Guidance for the FY13 Homeland Security Grant Program requires all subgrantee applications to include a new “Governing Body Resolution” appointing agents authorized to act on behalf of the Board, and to execute any actions necessary for the application and subgrant.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY, DOES HEREBY RESOLVE THAT:

Fire Chief Keith Richter, or his designee, is hereby authorized to execute for and on behalf of the Orange County Fire Authority, a Joint Powers Authority established under the laws of the State of California, any agreements, documents, or actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and sub-granted through the State of California.

PASSED, APPROVED, AND ADOPTED this 23rd day of January 2014.

STEVEN WEINBERG, CHAIR
OCFA Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

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AGREEMENT

SUB-RECIPIENT: ORANGE COUNTY FIRE AUTHORITY

City Contract Number _____

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Exhibit A	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit B	Certification Regarding Lobbying
Exhibit C	Grant Assurances

**AGREEMENT FOR TRANSFER OR PURCHASE OF EQUIPMENT/SERVICES OR FOR
REIMBURSEMENT OF TRAINING COSTS
FOR FY2013 URBAN AREAS SECURITY INITIATIVE (UASI)**

**BETWEEN
THE CITY OF SANTA ANA
AND ORANGE COUNTY FIRE AUTHORITY**

THIS AGREEMENT is made and entered into this 11th day of December, 2013, by and between the CITY OF SANTA ANA, a municipal corporation (the "CITY"), and ORANGE COUNTY FIRE AUTHORITY (the "SUB-RECIPIENT" or "Contractor").

WITNESSETH

WHEREAS, CITY, acting through the Santa Ana Police Department in its capacity as a Core City for the Anaheim/Santa Ana Urban Area under the FY13 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY 2013 Urban Areas Security Initiative" from the federal Department Of Homeland Security(DHS) Federal Emergency Management Agency (FEMA), through the State of California Governor's Office of Emergency Services (CalOES), to enhance countywide emergency preparedness (the "grant"), as set forth in the grant guidelines and assurances that are incorporated to this Agreement by reference and located at:

**"U.S. Department of Homeland Security "Fiscal Year 2013 Homeland Security Grant Program (HSGP) Funding Opportunity Announcement (FOA)"
http://www.fema.gov/media-library-data/20130726-1916-25045-6176/fy_2013_hsgp_foa.pdf**

**California Governor's Office of Emergency Services "FY2013 Homeland Security Grant Program: California Supplement to Federal Program Guidance and Application Kit"
<http://www.CalOES.ca.gov/EMS-HS-HazMat/Pages/Homeland-Security-Grant-Program-Documents.aspx>**

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

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

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

WHEREAS, the Anaheim/Santa Ana Urban Area ("ASAUA") consists of 34 cities

in Orange County, including the City of Santa Ana and the City of Anaheim, the County of Orange, including the unincorporated area of the County of Orange, Santa Ana Unified School District Police, California State University, Fullerton, University of California, Irvine, Municipal Water District of Orange County, and the Orange County Fire Authority; and

WHEREAS, the Office of Grants Management (“OGM”) awarded a FY13 UASI Grant of \$2,490,000 (“Grant Funds”) to the CITY OF SANTA ANA, as a Core City, for use in the ASAUA; and

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

WHEREAS, the UASI Grant Office now wishes to distribute FY13 UASI Grant Funds throughout the ASAUA, as further detailed in this Agreement (“Agreement”) to ORANGE COUNTY FIRE AUTHORITY (“SUB-RECIPIENT”) and others;

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

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

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

§102. Representatives of the Parties and Service of Notices

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

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

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

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

Mike Petro, Battalion Chief
ORANGE COUNTY FIRE AUTHORITY
One Fire Authority Road, Irvine, CA 92602
Phone:
E-mail: mikepetro@ocfa.org

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

§103. Independent Party

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

§104. Conditions Precedent to Execution of This Agreement

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

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

II
TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on December 11, 2013 and end on April 30, 2015 or upon the final disbursement of all of the Grant Amount (as defined in Section 301) and any additional period of time as is required to complete any necessary close out activities. Said term is subject to the provisions herein.

§202. Use of Grant Funds

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds and in accordance with grant guidelines set forth above; or, b) reimburse SUB-RECIPIENT for purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, services, exercises and training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Santa Ana Grant Coordinator and it will be provided.
- B. SUB-RECIPIENT shall provide any reports requested by the CITY regarding the performance of the Agreement. Reports shall be in the form requested by the CITY, and shall be provided in a timely manner.
- C. The Authorized Equipment List (AEL) is a list of the allowable equipment which may be purchased pursuant to this Agreement and is located at <https://www.rkb.us>, and incorporated to this Agreement by reference. A copy of the AEL shall be retained in the Anaheim/Santa Ana Grant Office. Unless otherwise stated in program guidance any equipment acquired pursuant to this Agreement shall meet all mandatory regulations and/or DHS-adopted standards to be eligible for purchase using grant funds. SUB-RECIPIENT shall provide the CITY a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements. Federal procurement requirements for the FY 13 UASI Grant can be found at 2 Code of Federal Regulations (CFR) Part 225 "Cost Principles for State, Local, and Indian Tribal Governments" and 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments."

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
2. Shall be consistent with needs as identified in the National Priorities and Core Capabilities, the State Homeland Security Strategy and the Anaheim/Santa Ana Urban Area and Orange County Operational Area Homeland Security Grants Strategy; and deployed in conformance with those plans;
3. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
4. Shall be subject to the requirements of Title 44 CFR Part 13.32 and 13.33 For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more. Items costing less than \$5,000, but falling into the following categories are also considered Equipment:
(1) electronics communications equipment for stationary or vehicular use, including cellular telephones acquired by lease or purchase, and
(2) electronic office equipment, including facsimile machines, copiers, electric typewriters, personal computers (monitors and CPU's), terminals and printers;
5. Shall be used by SUB-RECIPIENT in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer useful for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
6. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.
7. Shall be recorded on a ledger. This record must be updated bi-annually and forwarded to the City. The record shall include: (a)

description of the item of Equipment, (b) manufacturer's model and serial number, (c) Federal Stock number, national stock number, or other identification number; (d) the source of acquisition of the Equipment, including the award number, (e) date of acquisition; (f) the per unit acquisition cost of the Equipment, (g) records showing maintenance procedures to keep the Equipment in good running order, and (h) location and condition of Equipment. Records must be retained pursuant to 44 C.F.R. Part 13.42, and Office of G&T.

8. All equipment obtained under this Agreement shall have an ASUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible.
 9. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every year. Inventory shall also be taken prior to any UASI, State or Federal monitor visits.
 10. SUB-RECIPIENT shall exercise due care to preserve and safeguard equipment acquired with grant funds from damage or destruction and shall provide regular maintenance and such repairs for said equipment as necessary, in order to keep said equipment continually in good working order. Such maintenance and servicing shall be the sole responsibility of SUB-RECIPIENT, who shall assume full responsibility for maintenance and repair of the equipment throughout the life of said equipment.
- D. Any training paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2013 Homeland Security Grant Program, as set forth above. All training expenses must be pre-authorized by Cal-OES at <http://www.firstrespondertraining.gov/admin>. A catalogue of Grantor approved and sponsored training courses is available at http://www.firstrespondertraining.gov/odp_webforms.
- E. Any exercise paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2013 Homeland Security Grant Program, as set forth above. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <http://hseep.dhs.gov>.
- F. Any planning paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2013 Homeland Security Grant Program, as set forth above.
- G. Any organizational activities paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2013 Homeland Security Grant Program, as set forth above.

III
PAYMENT

§301. Payment of Grant Funds and Method of Payment

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

IV
STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

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

§402. Applicable Law, Interpretation and Enforcement

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

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

§403. Integrated Agreement

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

§404. Excusable Delays

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

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

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

§405. Breach

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

§406. Prohibition Against Assignment or Delegation

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

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

§407. Permits

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

§408. Nondiscrimination and Affirmative Action

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

If required, SUB-RECIPIENT shall submit an Equal Employment Opportunity Plan ("EEO") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>,

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

§409. Bonds

SUB-RECIPIENT must purchase a performance bond for any equipment item over \$250,000 or any vehicle (including aircraft or watercraft) financed with homeland security funds.

§410. Indemnification

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

§411. Conflict of Interest

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

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

B. Definitions:

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

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

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

§412. Restriction on Disclosures

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

§413. Statutes and Regulations Applicable To All Grant Contracts

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

1. Office of Management and Budget (OMB) Circulars

SUB-RECIPIENT shall comply with OMB Circulars, as applicable: OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments, found in 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, SUB-RECIPIENT shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; and any administrative regulation or field memos implementing the Act. When reporting under on the FY13 UASI Grant Program under the Single Audit Act, SUB-RECIPIENT shall use Catalog of Federal Domestic Assistance (CFDA) Program Number 97.067 "Homeland Security Grant Program"; Grant Identification Number 2013-00110; and Identify the CITY OF SANTA ANA as the Pass-Through.

3. Americans with Disabilities Act

SUB-RECIPIENT hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §§ 12101, et seq., and its implementing regulations. SUB-RECIPIENT will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. SUB-RECIPIENT will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the SUB-RECIPIENT, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

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

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

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

5. Records Inspection

At any time during normal business hours and as often as the CITY, the U.S. Comptroller General, and/or the Auditor General of the State of California may deem necessary, SUB-RECIPIENT shall make available for examination all of its records with respect to all matters covered by this Agreement. The CITY, the U.S. Comptroller

General and/or the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including SUB-RECIPIENT'S invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

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

6. Records Maintenance

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

7. Subcontracts and Procurement

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

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

8. Labor

SUB-RECIPIENT shall comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration

(5 C.F.R. 900, Subpart F).

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

SUB-RECIPIENT shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment. None of the funds shall be used to promote or deter Union/labor organizing activities. CA Gov't Code Sec. 16645, et seq.

9. Civil Rights

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

10. Environmental

SUB-RECIPIENT shall comply, or has already complied, with the requirements of Titles II and III of the Uniform relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-

assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

SUB-RECIPIENT shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451, et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401, et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

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

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

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

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

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

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

SUB-RECIPIENT shall comply, if applicable, with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501, et. seq.), which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

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

12. Suspension and Debarment

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

13. Drug-Free Workplace

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

14. Miscellaneous

SUB-RECIPIENT shall comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131, et seq.).

B. Statutes and Regulations Applicable To This Particular Grant

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

1. Title 44 Code of Federal Regulations (CFR) Part 13; EO 12372; Department of Justice (DOJ) Office of Judicial Programs (OJP) Office of the Comptroller, U.S. Department of Homeland Security, Preparedness Directorate Financial Management Guide; U.S. Department of Homeland Security, Office of Grants and Training, FY 2013 Homeland Security Grant Program – Program Guidance and Application Kit; ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

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

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

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable federal laws, orders, circulars, or regulations.

2. Travel Expenses

SUB-RECIPIENT as provided herein may be compensated for SUB-RECIPIENT'S reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Travel including in-State and out-of-

State travel shall not be reimbursed without prior written authorization from the UASI Grant Office.

SUB-RECIPIENT'S travel and per diem reimbursement costs shall be reimbursed based on the SUB-RECIPIENT'S travel policies and procedures. If SUB-RECIPIENT does not have established travel policies and procedures, SUB-RECIPIENT'S reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, PML 97-024, Section 599.619, dated July 1, 1997 and Section 599.631, and as amended from time to time.

3. Noncompliance

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

C. Compliance With Grant Assurances

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

§414. Federal, State and Local Taxes

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

§415. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the SUB-RECIPIENT shall report the fact and disclose the Invention promptly and fully to the CITY. The CITY shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the CITY and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be

allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). SUB-RECIPIENT

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

B. Rights to Use Inventions

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

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the author or the CITY, at the CITY'S discretion, may copyright the Material. If the CITY declines to copyright the Material, the CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. SUB-RECIPIENT shall comply with 24 CFR 85.34.

D. Rights to Data

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

E. Obligations Binding on Subcontractors

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

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

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

V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

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

§502. Amendments

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

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

VI
ENTIRE AGREEMENT

§601. Complete Agreement

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

§602. Number of Pages and Attachments

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-five (25) pages and three (3) Exhibits which constitute the entire understanding and agreement of the parties.

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

ATTEST:

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

By: _____
Maria D. Huizar
Clerk of the Council

By: _____
David Cavazos
City Manager

RECOMMENDED FOR APPROVAL:

By: _____
Carlos Rojas
Chief of Police

SUB-RECIPIENT
ORANGE COUNTY FIRE AUTHORITY

APPROVED AS TO FORM:

By: _____

By: _____
Laura Sheedy
Assistant City Attorney

Printed Name Keith Richter

Title Fire Chief

APPROVED AS TO FORM

By:  _____

Printed Name David E. Kendig

Title OCFA General Counsel

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

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

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

A. The applicant certifies that it and its principals:

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

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

<hr/> Authorized Agent Signature	Address: <u>Orange County Fire Authority</u>
<u>Keith Richter</u>	<u>1 Fire Authority Road</u>
Printed or Typed Name	
<u>Fire Chief</u>	<u>Irvine, CA 92602</u>
Title	

INSTRUCTIONS FOR CERTIFICATION

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

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

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

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

AGREEMENT NUMBER

Orange County Fire Authority

CONTRACTOR/BORROWER/AGENCY

Keith Richter, Fire Chief

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

01/23/14

SIGNATURE

DATE

EXHIBIT C
California Governor's Office of Emergency Services
FY 2013 Grant Assurances
(All HSGP Applicants)

Name of Applicant: Orange County Fire Authority
Address: 1 Fire Authority Road
City: Irvine State: CA Zip Code: 92602
Telephone Number: (714)573-6000 Fax Number: (714)368-8826
E-Mail Address: keithrichter@ocfa.org

As the duly authorized representative of the applicant, I certify that the applicant named above:

1. Will assure that all allocations and use of funds under this grant will be in accordance with the Fiscal Year 2013 HSGP Funding Opportunity Announcement.
2. Will assure that grant funds will support efforts related to providing an integrated mechanism to enhance the coordination of national priority efforts to prevent, respond to, and recover from terrorist attacks, major disasters and other emergencies.
3. Has the legal authority to apply for Federal assistance and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant provided by the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) and sub-granted through the State of California, California Governor's Office of Emergency Services (Cal OES).
4. Will assure that grant funds are used for allowable, fair, and reasonable costs only and will not be transferred between grant programs (for example: State Homeland Security Program and Urban Area Security Initiative) or fiscal years.
5. Will comply with any cost sharing commitments included in the FY2013 Investment Justifications submitted to DHS/FEMA/Cal OES, where applicable.
6. Will establish a proper accounting system in accordance with generally accepted accounting standards and awarding agency directives.
7. Will give the DHS/FEMA, the General Accounting Office, the Comptroller General of the United States, the Cal OES, the Office of Inspector General, through any authorized representative, access to, and the right to examine, all paper or electronic records, books, and documents related to the award, and will permit access to its facilities, personnel and other individuals and information as may be necessary, as required by DHS/FEMA or Cal OES, through any authorized representative, with regard to examination of grant related records, accounts, documents, information and staff.
8. Will require any subrecipients contractors, successors, transferees, and assignees to acknowledge and agree to comply with applicable provisions governing DHS/FEMA access to records, accounts, documents, information, facilities, and staff.
 - a. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS/FEMA or Cal OES.
 - b. Recipients must give DHS/FEMA and Cal OES access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS/FEMA and Cal OES program guidance, requirements, and applicable laws.

- c. Recipients must submit timely, complete, and accurate reports to the appropriate DHS/FEMA and Cal OES officials and maintain appropriate documentation to support these reports.
 - d. Recipients must comply with all other special reporting, data collection, and evaluations requirements, as prescribed by law or detailed in program guidance.
 - e. If, during the past three years, the Recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the Recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS/FEMA/Cal OES awarding office and the DHS Office of Civil Rights and Civil Liberties.
 - f. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the Recipient, or the Recipient settles a case or matter alleging such discrimination, Recipients must forward a copy of the complaint and findings to the DHS/FEMA Component and/or awarding office. The United States has the right to seek judicial enforcement of these obligations.
9. Will comply with any other special reporting, assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required the assessment or evaluation of any activities within this agreement, or detailed in the program guidance.
 10. Agrees that funds utilized to establish or enhance State and Local fusion centers must support the development of a statewide fusion process that corresponds with the Global Justice/Homeland Security Advisory Council (HSAC) Fusion Center Guidelines, follow the Federal and State approved privacy policies, and achieve (at a minimum) baseline level of capability as defined by the Fusion Capability Planning Tool.
 11. Will initiate and complete the work within the applicable timeframe, in accordance with grant award terms and requirements, after receipt of approval from Cal OES, and will maintain procedures to minimize the amount of time elapsing between the award of funds and the disbursement of funds.
 12. Will provide timely, complete and accurate progress reports, and maintain appropriate documentation to support the reports, and other such information as may be required by the awarding agency, including the Initial Strategy Implementation Plan (ISIP), within 45 (forty-five) days of the award, and update these reports and related documentation via the Grant Reporting Tool (GRT) twice each year.
 13. Will provide timely notifications to Cal OES of any developments that have a significant impact on award-supported activities, including changes to key program staff.
 14. Agrees to be non-delinquent in the repayment of any federal debt. Examples of relevant debt may be found in OMB Circular A-129, form SF-424, item #17, and include delinquent payroll and other taxes, audit disallowances, and benefit overpayments.
 15. Will comply with the requirement of 31 U.S.C. Section 3729, which sets forth that no subgrantee, Recipient or subrecipient of federal payments shall submit a false claim for payment, reimbursement or advance, Administrative remedies may be found in 38 U.S.C Section 3801-3812, addressing false claims and statements made.
 16. Will comply with all federal and state laws, executive orders, regulations, program and administrative requirements, cost principles, audit requirements, policies and any other terms and conditions applicable to this award.

17. Will comply with all applicable provisions of DHS/FEMA's regulations, including Title 44 of the Code of Federal Regulations, Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the payment of interest earned on advances.
18. Will comply with the Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule"), found under FEMA regulations at Title 44, Code of Federal Regulations (CFR) Part 13, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments", OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215; requirements for allowable costs/cost principles in the A-102 Common Rule, OMB Circular A-110 (2 CFR § 215.27); OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220; OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225; OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as applicable.
19. Will comply with all provisions of the Federal Acquisition Regulations including, but not limited to, Title 48 CFR, 31.2, Contracts with Commercial Organizations.
20. Will comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.
21. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of, personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other connections.
22. Understands and agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval from DHS/FEMA and Cal OES.
23. Will comply with all applicable lobbying prohibitions and laws, including those found in United States Code Title 31, § 1352, *et seq.*, and agrees that none of the funds provided under this award may be expended by the Recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action concerning the award or renewal of any federal contract, grant, loan, or cooperative agreement.
24. Agrees that, to the extent contractors or subcontractors are utilized, will use small, minority-owned, women-owned, or disadvantaged business concerns and contractors or subcontractors to the extent practicable.
25. Will comply with Title 2 of the Code of Federal Regulations regarding duplication of benefits, whereby any cost allocable to a particular federal award or cost objective under the principles provided for in this agreement may not be charged to other federal awards to overcome fund deficiencies.

26. Will ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources. Subgrantees and subrecipients may be required to demonstrate and document that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.
27. Will comply, if applicable, with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of structures.
28. Will comply with all federal and state laws and regulations relating to civil rights and protections and nondiscrimination. These include, but are not limited to:
 - a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, which prohibits discrimination on the basis of race, color or national origin.
 - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683 and 1685-1686), which prohibits discrimination on the basis of gender.
 - c. The Americans with Disabilities Act, as amended, which prohibits Recipients from discriminating on the basis of disability (42 U.S.C. § 12101 et seq.).
 - d. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability in any program receiving federal financial assistance.
 - e. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age.
 - f. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse.
 - g. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
 - h. Section 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
 - i. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq., as implemented by 24 CFR Part 100), as amended, relating to nondiscrimination in the sale, rental or financing of housing.
 - j. Title 44 Code of Federal Regulations (CFR) Parts 7, 16, and 19 relating to nondiscrimination.
 - k. The requirements on any other nondiscrimination provisions in the specific statute(s) under which the application for federal assistance is being made and any other applicable statutes.
 - l. Will, in the event that a federal or state court or federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds or race, color, religion, national origin, gender, or disability against a Recipient of funds, the Recipient will forward a copy of the finding to the Office of Civil Rights, Office of Justice Programs.
 - m. Will provide an Equal Employment Opportunity Plan, if applicable, to the Department of Justice Office of Civil Rights within 60 days of grant award.
 - n. Will comply, and assure the compliance of all its subgrantees and contractors, with the nondiscrimination requirements and all other provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1.
29. Will comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq. [P.L. 91-646]), which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs. These

requirements apply to all interested in real property acquired for project purposes regardless of federal participation in purchases. Will also comply with Title 44 CFR, Part 25, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted programs.

30. Will comply with all provisions of DHS/FEMA's regulation 44 CFR Part 10, Environmental Considerations.
31. Will comply with all applicable federal, state, and local environmental and historical preservation (EHP) requirements. Failure to meet Federal, State, and Local EHP requirements and obtain applicable permits may jeopardize Federal funding. Agrees not to undertake any project having the potential to impact the EHP resources without the prior written approval of DHS/FEMA and Cal OES, including, but not limited to, ground disturbance, construction, modification to any structure, physical security enhancements, communications towers, any structure over 50 years old, and purchase and/or use of any sonar equipment. The subgrantee must comply with all conditions and restrictions placed on the project as a result of the EHP review. Any construction-related activities initiated without the necessary EHP review and approval will result in a noncompliance finding, and may not be eligible for reimbursement with DHS/FEMA and Cal OES funding. Any change to the scope of work will require re-evaluation of compliance with the EHP. If ground-disturbing activities occur during the project implementation, the subgrantee must ensure monitoring of the disturbance. If any potential archeological resources are discovered, the subgrantee will immediately cease activity in that area and notify DHS/FEMA and Cal OES and the appropriate State Historic Preservation Office.
32. Any construction activities that have been initiated prior to the full environmental and historic preservation review could result in non-compliance finding. grantees must complete the FEMA EHP Screening Form (OMB Number 1660-0115/FEMA Form 024-0-01) and submit it, with all supporting documentation, to their Cal OES program representative, for processing by the DHS/FEMA Grants Program Directorate EHP.
33. Grantees should submit the FEMA EHP Screening Form for each project as soon as possible upon receiving their grant award. The Screening Form for these types of projects is available at:
www.fema.gov/doc/government/grant/bulletins/info329_final_screening_memo.doc
34. Will ensure that the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of this project, are not on the Environmental Protection Agency's (EPAs) List of Violating Facilities, and will notify Cal OES and the DHS/FEMA of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating if a facility to be used in the project is under consideration for listing by the EPA.
35. Will provide any information requested by DHS/FEMA and Cal OES to ensure compliance with applicable laws, including the following:
 - a. Institution of environmental quality control measures under the Archaeological and Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), and Environmental Justice (EO12898) and Environmental Quality (EO11514).
 - b. Notification of violating facilities pursuant to EO 11738.
 - c. Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.).
 - d. Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.).

- e. Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523).
 - f. California Environmental Quality Act (CEQA). California Public Resources Code Sections 21080-21098. California Code of Regulations, Title 14, Chapter 3 Section 15000-15007.
 - g. Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
 - h. Applicable provisions of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501 et seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.
36. Will comply with Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, Section 8607.1(e) and CCR Title 19, Sections 2445, 2446, 2447, and 2448.
 37. Agrees that subgrantees and subrecipients collecting Personally Identifiable Information (PII) must have a publically-available privacy policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Subgrantees and subrecipients may also find DHS Privacy Impact Assessments, guidance and templates online at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf and at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively.
 38. Agrees that all DHS/FEMA-funded project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, and approvals are obtained.
 39. Will comply with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225(a), whereby all subgrantees, recipients, and subrecipients must ensure that all conference, meeting, convention, or training space, funded in whole or in part with federal funds, complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. § 2225.
 40. Agrees that all publications created or published with funding under this grant shall prominently contain the following statement: *"This document was prepared under a grant from FEMA's Grant Programs Directorate, U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA's Grant Programs Directorate or the U.S. Department of Homeland Security."* The recipient also agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: *"Purchased with funds provided by the U.S. Department of Homeland Security."*
 41. Acknowledges that DHS/FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: a) the copyright in any work developed under an award or sub-award; and b) any rights of copyright to which a recipient or sub-recipient purchases ownership with Federal support. The recipient agrees to consult with DHS/FEMA and Cal OES regarding the allocation of any patent rights that arise from, or are purchased with, this funding and has requested through the State of California, federal financial assistance to be used to perform eligible work approved in the submitted application for federal assistance and after the receipt of federal financial assistance, through the State of California, agrees to the following:

- a. Promptly return to the State of California all the funds received which exceed the approved, actual expenditures determined by the federal or state government.
 - b. In the event the approved amount of the grant is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.
 - c. Property/equipment purchased under the HSGP reverts to Cal OES if the grant funds are deobligated or disallowed and not promptly repaid.
 - d. HSGP funds used for the improvement of real property must be promptly repaid following deobligation or disallowment of costs, and Cal OES reserves the right to place a lien on the property for the amount owed.
 - e. Separately account for interest earned on grant funds, and will return all interest earned, in excess of \$100 per Federal Fiscal Year.
42. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. Sections 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
43. Will comply, if applicable, with the Laboratory Animal Welfare Act of 1966 (P. L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
44. Will comply with the minimum wage and maximum hour provisions of the Federal Fair Labor Standards Act (29 U.S.C. 201), as they apply to employees of institutions of higher education, hospitals, and other non-profit organizations.
45. Agrees that "Classified national security information," as defined in Executive Order (EO) 12958, as amended or updated via later executive order(s), means information that has been determined pursuant to EO 12958 to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form. No funding under this award shall be used to support a contract, subaward, or other agreement for goods or services that will include access to classified national security information if the Award Recipient has not been approved for and granted access to such information by appropriate authorities.
46. Agrees that where an Award Recipient has been approved for and has access to classified national security information, no funding under this award shall be used to support a contract, subaward, or other agreement for goods or services that will include access to classified national security information by the contractor, subrecipient, or other entity without prior written approval from the DHS Office of Security, Industrial Security Program Branch (ISPB), or, an appropriate official within the Federal department or agency with whom the classified effort will be performed. Such contracts, subawards, or other agreements shall be processed and administered in accordance with the DHS "Standard Operating Procedures, Classified Contracting by States and Local Entities," dated July 7, 2008; EOs 12829, 12958, 12968, and other applicable executive orders; the National Industrial Security Program Operating Manual (NISPOM); and other applicable implementing directives or instructions. Security requirement documents may be located at: <http://www.dhs.gov/xopnbiz/grants/index.shtm>
47. Immediately upon determination by the Award Recipient that funding under this award will be used to support a contract, subaward, or other agreement involving access to classified national security information pursuant to paragraph 47, and prior to execution of any actions to facilitate the acquisition of such a contract, subaward, or other agreement, the

award recipient shall contact ISPB, and the applicable federal department or agency, for approval and processing instructions.

DHS Office of Security ISPB contact information:
Telephone: 202-447-5346
Email: DD254AdministrativeSecurity@dhs.gov
Mail: Department of Homeland Security
Office of the Chief Security Officer
ATTN: ASD/Industrial Security Program Branch
Washington, D.C. 20528

48. Will comply with the requirements regarding Data Universal Numbering System (DUNS) numbers. If recipients are authorized to make subawards under this award, they must notify potential subrecipients that no entity may receive or make a subaward to any entity unless the entity has provided a DUNS number.
49. For purposes of this award term, the following definitions will apply:
 - a. "Data Universal Numbering System (DUNS)" number means the nine digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet, currently at <http://fedgov.dnb.com/webform>
 - b. "Entity", as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, Subpart C, as a Governmental organization, which is a state, local government, or Indian Tribe; or a foreign public entity; or a domestic or foreign nonprofit organization; or a domestic or foreign for-profit organization; or a federal agency, but only as a sub recipient under an award or subaward to a non-federal entity.
 - c. "Subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the Recipient award to an eligible subrecipient. It does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations") and may be provided through any legal agreement, including an agreement that you consider a contract.
 - d. "Subrecipient" means an entity that receives a subaward from you under this award; and is accountable to you for the use of the Federal funds provided by the subaward.
50. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. Section 276a to 276a-7), the Copeland Act (40 U.S.C. Section 276c and 18 U.S.C. Sections 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. Sections 327-333), regarding labor standards for Federally-assisted construction sub-agreements.
51. Agrees that equipment acquired or obtained with grant funds:
 - a. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant, and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
 - b. Is consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy.

52. Will comply with the financial administrative requirements set forth in the current edition of the DHS Financial Management Guide.
53. Agrees that all allocations and use of funds under this grant will be in accordance with the FY 2013 Homeland Security Grant Program Funding Opportunity Announcement, and the California Supplement to the FY 2013 Homeland Security Grant Program Funding Opportunity Announcement. All allocations and use of funds under this grant will be in accordance with the Allocations, and use of grant funding must support the goals and objectives included in the State and/or Urban Area Homeland Security Strategies as well as the investments identified in the Investment Justifications which were submitted as part of the California FY2013 Homeland Security Grant Program application. Further, use of FY13 funds is limited to those investments included in the California FY13 Investment Justifications submitted to DHS/FEMA and Cal OES and evaluated through the peer review process.
54. Will comply with Homeland Security Presidential Directive (HSPD)-5, Management of Domestic Incidents. The adoption of the National Incident Management System (NIMS) is a requirement to receive federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, tribal nations, nongovernmental organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.
55. Will comply with OMB Standard Form 424B Assurances – Non-construction Programs, whereby the awarding agency may require subgrantees and subrecipients to certify to additional assurances.
56. Will not make any award or permit any award (subgrant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 12689, “Debarment and Suspension”. As required by Executive Order 12549, Debarment and Suspension, and implemented at 44 CFR Part 17, for prospective participants in primary covered transactions, the Applicant will provide protection against waste, fraud and abuse, by debarring or suspending those deemed irresponsible in their dealings with the federal government. Applicant certifies that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of federal benefits by a state or federal court, or voluntarily excluded from covered transactions by any federal department or agency.
 - b. Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and
 - d. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

57. Will comply with requirements to acknowledge federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.
58. Will comply with requirements that publications or other exercise of copyright for any work first produced under federal financial assistance awards hereto related unless the work includes any information that is otherwise controlled by the government (e.g., classified information or other information subject to national security or export control laws or regulations). For any scientific, technical, or other copyright work based on or containing data first produced under this award, including those works published in academic, technical or professional journals, symposia proceedings, or similar works, the recipient grants the government a royalty-free, nonexclusive and irrevocable license to reproduce, display, distribute copies, perform, disseminate, or prepare derivative works, and to authorize others to do so, for government purposes in all such copyrighted works. The Recipient shall affix the applicable copyright notices of 17 U.S.C. § 401 or 402 and an acknowledgement of government sponsorship (including award number) to any work first produced under an award.
59. Will obtain, via Cal OES, the prior approval from DHS on any use of the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.
60. Will comply with the requirements of the Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.
61. Will comply with the requirements of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), which requires that all organizations receiving grants from any federal agency agree to maintain a drug-free workplace. The Recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. These regulations are codified at 2 CFR 3001.
62. Will comply with the requirements of the government-wide award term which implements § 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the Recipient or a subrecipient engages in severe forms of trafficking in persons during the period of time that the award is in effect, procures a commercial sex act during the period of time that the award is in effect; or uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.
63. Will comply with the requirements of Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance; national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, Recipients must take reasonable steps to ensure that LEP persons have meaningful access to your programs. Meaningful

access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding LEP obligations, go to <http://www.lep.gov>.

64. Will comply with the requirements of 42 U.S.C. § 7401 et seq. and Executive Order 11738, which provides for the protection and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.
65. Will comply with the requirements of the federal regulations at 45 CFR Part 46 and the requirements in DHS Management Directive 026-04, Protection of Human Subjects, prior to implementing any work with human subjects. The regulations specify additional protections for research involving human fetuses, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). The use of autopsy materials is governed by applicable state and local law and is not directly regulated by 45 CFR Part 46.
66. Will comply with the requirements of the National Environmental Policy Act (NEPA), as amended, 42 U.S.C. § 4331 et seq., which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for its grant-supported activities, DHS requires the environmental aspects of construction grants (and certain non-construction projects as specified by the Component and awarding office) to be reviewed and evaluated before final action on the application.
67. Will comply with the requirements of § 1306(c) of the National Flood Insurance Act, as amended, which provides for benefit payments under the Standard Flood Insurance Policy for demolition or relocation of a structure insured under the Act that is located along the shore of a lake or other body of water and that is certified by an appropriate state or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels. These regulations are codified at 44 CFR Part 63.
68. Will comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. § 4001 et seq.), which provides that no federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within one year of the identification. The flood insurance purchase requirement applies to both public and private applicants for DHS support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.
69. Will comply with the requirements of Executive Order 11990, which provides that federally funded construction and improvements minimize the destruction, loss, or degradation of wetlands. The Executive Order provides that, in furtherance of § 101(b)(3) of NEPA (42 U.S.C. § 4331(b)(3)), federal agencies, to the extent permitted by law, must avoid undertaking or assisting with new construction located in wetlands unless the head of the agency finds that there is no practicable alternative to such construction, and that the proposed action includes all practicable measures to minimize harm to wetlands that may result from such use. In making this finding, the head of the agency may take into account economic, environmental, and other pertinent factors. The public disclosure requirement described above also pertains to early public review of any plans or proposals for new construction in wetlands. This is codified at 44 CFR Part 9.

70. Will comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175-175c. Among other things, it prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose. The act also establishes restrictions on access to specified materials. "Restricted persons," as defined by the act, may not possess, ship, transport, or receive any biological agent or toxin that is listed as a select agent.
71. Understands that failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.
- a. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009,
 - b. Where and when to report: you must report on each obligating action described in the following paragraphs to Cal OES. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2011, the obligation must be reported by no later than December 31, 2011.)
 - c. What to report: You must report the information about each obligating action that the submission instructions posted in Information Bulletin 350, to Cal OES. To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>. Subgrantees must report subrecipient executive total compensation to Cal OES by the end of the month following the month during which you make the subaward. Exemptions include: If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report on subawards, and the total compensation of the five most highly compensated executives of any subrecipient.
 - d. Reporting Total Compensation of Recipient Executives: You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if
 - i. the total Federal funding authorized to date under this award is \$25,000 or more;
 - ii. in the preceding fiscal year, you received 80 percent or more of your annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
 - iv. Subrecipient Executives. Unless you are exempt as provided above, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if in the subrecipient's preceding fiscal year, the subrecipient received 80 percent or

more of its annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and the public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

72. Understands that failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

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

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: Keith Richter

Title: Fire Chief Date: 01/23/14

CONSENT CALENDAR - AGENDA ITEM NO. 8
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Adoption of OCFA 2014 Legislative Policy Guidelines**

Summary:

This item is submitted for approval and adoption of the OCFA 2014 Legislative Policy Guidelines.

Recommended Action:

Adopt the OCFA 2014 Legislative Policy Guidelines and direct OCFA staff to initiate procedures to implement those policies.

Background:

At the beginning of each calendar year, the OCFA Legislative Services Section, in conjunction with Executive Management, identifies and recommends the legislative priorities for the year. A number of issues in the attached document are continued from previous years, while others are anticipated issues that may arise in the next year. The OCFA Legislative Services Section monitors the progress of approximately 400 to 500 State and Federal bills annually. OCFA takes formal positions to the Executive Committee on only those bills that may impact OCFA. Sometimes bills with no impact but of possible interest to our member agencies, Directors and the public are included with the recommended position of "monitor." Also, at any time a Director may request staff to revise or consider a new legislative position on any bill.

The Policy Guidelines identify what areas or legislative actions will be undertaken or positions advanced by OCFA staff this year. Some key Federal issues include various grants that OCFA could be eligible for, as well as funding for the Urban Search and Rescue Team (USAR). Our legislative consultants in Sacramento and Washington, D.C. will advocate OCFA's legislative priorities, and staff will work closely with other public safety agencies and stakeholders on issues of mutual interest. Staff has begun tentatively planning OCFA's federal lobby trip for the week of February 23, 2014. At this time Board Chair Weinberg, Fire Chief Richter, Assistant Chief Stephens, Division Chief Brice, and Legislative Analyst Jay Barkman are scheduled to attend.

Of interest in the attached 2014 Policy Guidelines may be Item 2.4 under the Public Protection category. This item was added in light of the recent fire in the residential care facility in Santa Ana and recognizes a long time position taken by OCFA. In past years OCFA has supported legislation requiring sprinklers in residential care facilities. Most recently, AB 462 (Stone) was supported by OCFA in the May 2013 report to the Executive Committee. That bill failed

passage out of its first committee hearing and it's not likely to move in 2014. Including this position in our annual policy guidelines will not change staff practice to bring specific bills for formal adoption by the Executive Committee. However, it will allow staff to communicate our support for legislation if any is contemplated in 2014.

Lastly, the Governor released his 2014 Budget proposal at the writing of this staff report. A review was conducted by our Sacramento lobbyists and is discussed in their attached monthly report. No major changes have been proposed to Cal FIRE or other agencies impacting local fire protection and emergency response provided by OCFA. Staff will conduct a further review over the coming weeks on any proposals related to the SRA fee and EMS related programs. Further details should be disclosed as budget hearings are conducted in March and April.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

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

Attachments:

1. 2014 Legislative Policy Guidelines
2. State Lobbyist Report

2014 OCFA LEGISLATIVE POLICY GUIDELINES

Policy Description

The purpose of the Orange County Fire Authority (OCFA) Legislative Policy Guidelines is to provide a framework for the advocacy efforts of the Board of Directors, legislative advocates, and OCFA staff. Most policy guidelines are derived from past legislative history, anticipated legislation, or government action and prior Board policy. This framework provides a structure for the Authority to respond to State and Federal issues in a timely and effective manner.

Budget and Fiscal

1. State Mandated Programs
 - 1.1. Support full cost reimbursement to OCFA by the State for all mandated programs.
 - 1.2. Oppose new or continuing unfunded State mandates.

2. Revenues, Fees, and Taxes
 - 2.1. Review and monitor measures that assist in the development of additional funding sources.
 - 2.2. Support measures that further prohibit the diversion of local revenues, fees and taxes by the State.
 - 2.3. Oppose any measures to shift taxes or other revenues received by OCFA to fund the State or program responsibilities of the State; or to restrict OCFA's appropriate use of existing revenues.

3. Realignment of State and Local Services and Funding
 - 3.1. Monitor implementation of 2011 State-County realignment and any new proposals to shift state services to the local level. Report to the Board any financial impact to OCFA or member agencies. .
 - 3.2. Oppose the mandating of additional fire protection responsibilities on local agencies, specifically in the area of wildland protection, which does not provide corresponding funding or reduces current funding for protection of State Responsibility Areas.

4. State Responsibility Area (SRA) Fees
 - 4.1. Support legislative and administrative efforts to provide oversight of fee collection and equitable distribution of grant funds associated with fee. Staff will coordinate with the Association of Contract Counties.
 - 4.2. Oppose additional SRA fee legislation or regulations that divert current fee revenues away from fire prevention or protection activities in the SRA.

Public Protection

1. Fireworks
 - 1.1. Oppose expansion of firework sales period beyond current July 4th holiday.
 - 1.2. Support efforts to streamline enforcement, licensing and permitting of Safe and Sane Fireworks in conjunction with improving disposal of seized fireworks.

2. Fire Protection

- 2.1. Support legislation that decreases fire risk, appropriately increases fire safety, and provides for discretionary input by local fire agencies on development in the Wildland Urban Interface.
- 2.2. Support fire prevention measures to mitigate potential threats of firestorm disasters.
- 2.3. Support arson investigation and prosecution measures.
- 2.4. Support legislation requiring residential care facilities to install sprinklers that also provides regulatory relief, assistance and incentives to facility owners to comply.

3. Disaster & Terrorism Response

- 3.1. Support appropriate funding by the State and Federal government for emergency planning and response purposes.
- 3.2. Support measures that provide State/Federal assistance in supporting anti-terrorism equipment, training, and staffing needs.

4. Emergency Medical Service

- 4.1. Oppose measures that require prior authorization from health benefit providers for emergency medical treatment.
- 4.2. Support efforts to strengthen and reaffirm local “201 rights” to administer EMS services in coordination with County EMS agencies.

5. Vehicles

- 5.1. Support measures that exempt sales and use taxes on the purchase of any firefighting vehicle/apparatus.
- 5.2. Support measures that provide emergency vehicles flexibility in meeting weight and length limits.

6. Communications

- 6.1. Oppose any measures that take dollars from the State 911 Fund to be used for other purposes than 911 positions and/or replacement equipment.
- 6.2. Support legislation that strengthens fines and penalties on false or abusive 911 calls.

Administrative Issues

1. Human Resources/Employee Relations

- 1.1. Oppose efforts, which reduce local control over public employees’ disputes and impose regulations of an outside agency.
- 1.2. Oppose a new mandatory Social Security tax for public employers and public employees.
- 1.3. Oppose any changes to public employee health care benefit programs that reduce control over coverage plan options or impacts employee privacy.

2. Workers Compensation, Public Works and Miscellaneous

- 2.1. Oppose the expansion or addition of new presumptive injuries or illnesses that force local agencies to provide benefits without reasonably considering if the injury or illness is related to employment.

- 2.2. Oppose legislation that attempts to limit and/or decrease the existing amount of retention proceeds withheld from any payments by a public entity from the contractor on a public project.
- 2.3. Support measures for alternate energy sources and support and encourage the use of renewable energy and conservation.
- 2.4. Support measures that provide flexibility to public entities and lower rates or incentives for energy conservation.
- 2.5. Support measures that limit OCFA's legal or insurance liabilities.

During the course of the legislative year, we anticipate a number of bills will be introduced that will fall within one of the above categorical areas. We will keep the Board of Directors informed, through reports to the Executive Committee, on the status of these legislative activities. Any newly introduced bills that have an impact on OCFA will be summarized with a recommended position on legislation, and be provided to the Executive Committee for its approval.

2014 Federal Legislative Priorities

In 2014, OCFA will be concentrating our federal efforts in the following areas:

1. Urban Search and Rescue Team (USAR): Continue to advocate increased funding for existing USAR teams and for flexible guidelines in spending funds. Support legislation authorizing the national USAR system that recognizes the current 28 teams, provides appropriate funding authorization, and establishes an advisory committee to address future concerns by OCFA and other teams. With ongoing disagreement on how to pursue future spending levels, deficit reduction and taxes it is unlikely that increased funding to USAR will be provided. Working with our federal lobbyists and National USAR partners we will seek to maintain funding levels and secure increases or greater flexibility in administration as opportunities arise. There is also a growing need to address one time "maintenance" needs such as vehicle replacement, medication supplies and other technical needs of the task forces. The teams will consider submitting a one-time appropriations request to address these needs.
2. Fire Safe Councils: Support continued Federal funding and legislation expanding the activities and efforts of Fire Safe Councils. Senator Feinstein has historically supported the funding of California's Fire Safe Councils and these funds are awarded out via competitive grants that OCFA or local fire safe councils may seek. In 2012 OCFA was awarded a grant for additional fuel removal in the Cowan Heights Community and is the process of formally accepting and finalizing environmental review for this grant. OCFA will communicate our ongoing support for this grant program and comment on aspects of it we find advantageous as compared to other federal grants for fuel removal work.
3. Assistance to Firefighters Grants & SAFER Grants: Support increased federal funding of Fire Act grants from FEMA. Support increased flexibility in grant programs to account for local economic hardships and difficulties in meeting match requirements.

2014 State Legislative Priorities

In 2014, OCFA seeks to concentrate our State efforts in the area of the Budget and protecting local revenues. While state revenues are projected to continue to improve a number of past actions continue to impact local agencies, including the elimination of redevelopment agencies and the realignment of state services to Counties. In 2011 realignment proposals included fire protection provided by six counties, including Orange County, to the SRA. While fire protections services were not included in the final legislation OCFA will monitor efforts to revisit the State-Local fire protection relationship in 2014.

In addition, with supermajorities in both houses it is possible Democrats revisit issues such as the SRA fee, and possible conversion to a tax levy, or amend other tax statutes as they relate to voting thresholds or change of ownership under for purposes of reassessment.

1. CAL FIRE Budget

Governor Brown's 2013 Budget spared CAL FIRE from any reductions. As one of six counties contracted by the State we provide coverage to the SRA for CAL FIRE. This State-Local relationship assists OCFA in staffing our wildland fire stations. This may provide additional benefit as the State fully implements the SRA fee program and assist OCFA to secure grant funds or support communities with those funds to perform mitigation work in the SRA. At the writing of this item the Governor's 2014 Budget had just been released and is being reviewed by staff and our Sacramento lobbyists.

2. SRA Fee

The SRA fee has now been through two billing cycles and litigation regarding the legality of this fee continues through the judicial process. There have been minor decisions on those eligible to appeal and contest the fee but nothing significant on the substance of the fee and its legality. It is expected that in 2014 there will be some court decision on the substance of the fee. It is too soon to know whether there will be appeals or legislative action as a result of any decision, especially if the fee is struck down, and obviously one consideration will likely be the fact that we are in an election year.

As revenues have begun to come in the State Board of Forestry and Fire Protection and others in the Legislature have been in discussion on how to ensure revenues are properly accounted and allocated. In 2013 there were some efforts to establish a framework for the grant program allowed under the SRA fee legislation. Any discussions in 2014 will likely be shaped or in response to any court decision and OCFA will continue to monitor and report to the Board.

3. Local Infrastructure Financing

As a result of the dissolution of redevelopment there have been legislative efforts to revive some of the tools that existed with those agencies to pursue local infrastructure projects. These efforts have varied and have often taken the approach of expanding the use of tax increment financing. In most cases these have been in the form of further empowering local agencies to create new agencies or improving existing tools such as infrastructure financing districts. As a local agency primarily funded by property tax revenues these efforts could impact OCFA. However, we are also aware that our city partners are supportive of efforts to provide them a means to address critical infrastructure and

economic development needs. Staff will report regularly to the Executive Committee on how these efforts evolve and potentially impact OCFA.



TO: Jay Barkman, Orange County Fire Authority
FROM: Jim Gross and John Moffatt, Nielsen Merksamer Parrinello Gross and Leoni
RE: Monthly Legislative Report

On January 6th, the state Legislature reconvened for the second year of the 2013-14 Legislative Session. On January 8th, Governor Brown released his proposed budget for the 2014-15 fiscal year. We have attached a list of bills that were introduced in 2013 that remain before the Legislature for consideration. To date, only one bill has been introduced that would impact the Authority. (SB 661(Hill) regarding limousine safety.) However, over the next month, hundreds of bills will be introduced, and we expect there to be a significant number that are of interest to the Authority.

California has a billion dollar plus surplus for the first time in many years, and the Governor has proposed a significant "rainy day" fund as well as repayment of debt and investment in education and some infrastructure. The most significant infrastructure project he wants to pursue is the high speed rail project, and he proposes to use a significant portion of what is known as "cap and trade" revenue derived from AB 32 to do so. This could be one of the most intense battles of the year. As for the surplus, Democrats will be pushing the Governor to restore some of the cuts made during the recession and to enhance public services.

The Governor's Budget proposes to begin paying down the so called "wall of debt" which includes the debt the state owes local government. The Governor proposes that commencing with the 2015-16 fiscal year, local governments will be paid approximately \$900 million in unfunded mandates.

The Governor also proposes legislation to improve the development tool known as infrastructure financing districts. While he is unwilling to allow for the use of any tax increment, it is the first time since the dissolution of redevelopment agencies that he has proactively stated a willingness to improve this mechanism.

We expect that there will be a number of bills introduced addressing the need for better oversight of facilities caring for the aged and disabled. There have been a number of incidents that have illustrated that state oversight is quite poor. The Governor has even proposed additional staff for the departments responsible for these areas. While the incidents have involved neglect and cruelty, the additional oversight, including inspections, will also focus on code violations and unsafe conditions.

The other area that will get significant attention this year is the criminal justice realignment and that component of the realigned population in need of mental health and substance abuse treatment. Counties are extremely concerned that they lack sufficient resources to address the needs of these individuals, and are being quite vocal about it. The Governor has included some funding in his proposed budget to address these needs, but neither the Legislature nor the counties are likely to see his proposal as sufficient. Obviously, the mentally ill present significant risks for public safety, and some of the negative consequences affect the fire departments throughout the state. Adequate funding and infrastructure will benefit all of public safety agencies.

We look forward to a productive year working on behalf of the Authority.

CONSENT CALENDAR - AGENDA ITEM NO. 9
BOARD OF DIRECTORS MEETING
January 23, 2014

TO: Board of Directors, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **FY 2013/14 Mid-Year Financial Report**

Summary:

This item is submitted to provide a mid-year financial update on the FY 2013/14 budget in accordance with the OCFA's Fiscal Health Plan.

Committee Action:

At its January 8, 2014, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Actions:

1. Direct staff to implement all necessary budget adjustments to allocate \$3,000,000 of the \$6,134,590 of available unencumbered funds identified in the 2012/13 annual financial audit to the OCFA's Unfunded Actuarial Accrued Liabilities with the Orange County Employees Retirement System, and allocate any remaining funds to the OCFA's Capital Improvement Program for capital needs.
2. Direct staff to implement all necessary budget adjustments to issue the 2013/14 equity payment to the City of Irvine in the amount of \$5,976,162, in accordance with the Second Amendment to the Amended Joint Powers Agreement.
3. Direct staff to implement necessary budget adjustments to unfreeze specified positions for the Community Risk Reduction and Business Services Departments, as explained herein.
4. Direct staff to return to the Board of Directors in March 2014, for approval of all additional budget adjustments discussed herein for the FY 2013/14 budget.

Background:

The updated Fiscal Health Plan, approved by the Board in November 2013, calls for a comprehensive system to monitor OCFA's fiscal performance. This includes a review and comparison of forecasted revenues and expenditures against actual revenues and expenditures, as well as a mid-year budget review. The attached report reviews the current year budget, highlights any potential financial challenges to the OCFA, and previews anticipated 2014/15 budget issues.

FY 2013/14 Budget Review

Significant changes have occurred since the budget was adopted in May 2013, including, increases to beginning fund balance, increase in secured property taxes, increases in both revenue and expenditures related to assistance-by-hire emergency responses, as well as all approved adjustments to date that include rebudgets and new grant funds. In addition, increases in service demands impacting the Community Risk Reduction and Business Services

Departments have prompted a need to re-evaluate staffing levels and frozen positions in these areas. These changes are detailed in the attached Mid-Year Financial Report.

FY 2013/14 Result of “Trigger” Formula Calculation for Base Salary Increase Determination

In accordance with Memorandums of Understanding (MOU) with all labor groups, a “trigger” formula calculation has been used to determine whether employee base salary increases shall be scheduled for February 2014. This “trigger” calculation determines how much is available for increases to base salaries, after funding all general fund expenditures, the incremental increase to the contingency fund balance, and designating 5% of general fund expenditures for transfer to the Capital Improvement Funds.

The attached calculation (Exhibit 1) is based on figures from the 2013/14 adopted budget as well as the actual secured property tax initial tax levy from the County as required by the agreed upon methodology. The calculation for this year resulted in a negative \$8.6 million, indicating that there are no funds available for “triggered” base salary increases.

FY 2012/13 Fund Balance

As part of the mid-year review, prior year final fund balances were also reviewed. The audited financial statements for the fiscal year ended June 30, 2013 identified approximately \$6.1 million in unencumbered fund balance. Staff’s recommendation for the use of those funds includes the following:

- Allocate \$3 million to the OCFA’s Unfunded Actuarial Accrued Liability with the Orange County Employees’ Retirement System, in compliance with the accelerated paydown plan that was approved by the Board in September 2013.
- Allocate any remaining funds to the OCFA’s Capital Improvement Program for capital needs.

FY 2013/14 Equity Payment

With the ratification of the Second Amendment to the Joint Powers Agreement, Jurisdictional Equity Adjustment Payments (JEAPs) are required for qualifying Structural Fire Fund (SFF) members. The Second Amendment to the JPA specifically provides that the City of Irvine be paid 100% of their JEAP in FY 2013/14, while JEAPs for other SFF members will be incrementally phased in beginning with FY 2014/15.

The JEAP calculation has been performed and is attached as Exhibit 2. The calculation determined that a JEAP of \$5,976,162 must be made to the City of Irvine. Although the financial forecast model was updated to include a JEAP to Irvine in FY 2013/14, the budget itself was not adjusted since the 2nd Amendment was still in the process of being ratified. Therefore, staff is recommending a budget adjustment to make the required payment.

Impact to Cities/County:

Annual increases for cash contract cities are projected to remain below the 4.5% cap on annual increases, as shown by projected expenditures in the Five-Year Financial Forecast. Annual increases over the next three years are currently estimated at 3.8% for FY 2014/15, 2% for FY 2015/16, and 2% for FY 2016/17 (excluding the catch up provision).

Fiscal Impact:

Financial impact has been presented in the attached report.

Staff Contacts for Further Information:

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Attachment:

Mid-year Financial Report

Exhibit 1 – “Trigger” Formula Calculation

Exhibit 2 – JEAP Calculation

Exhibit 3 – Trend Graph -- Forecast to Actual comparison

Exhibit 4 – Updated Five-Year Financial Forecast

Exhibit 5 – Five-Year Financial Forecast Assumptions

ORANGE COUNTY FIRE AUTHORITY

Mid-Year Financial Report

January 2014

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

ECONOMIC OUTLOOK

Property tax is OCFA's largest source of revenue, therefore the outlook on economic factors impacting property values are briefly discussed here. The November 2013 Chapman forecast estimates a final 5.6% increase in 2014 for the median resale price of a single-family home in Orange County, which is an overall slowdown in home appreciation in 2014 as compared to 2013. Impacting the housing market is the projected rise in mortgage rates, which coupled with higher home prices, will make homes less affordable. On the supply side, Chapman also forecasts more resale housing units entering the market in 2014. Chapman states "With the rebound in home prices, many underwater home owners are recapturing lost equity."

Chapman estimates that construction spending will be on the rise in 2014, "We are projecting the total value of building permit valuation to increase by about 15.0 percent in Orange County..." This will have a longer term positive benefit for OCFA's largest revenue source, property tax, as constructed properties are sold and/or reassessed after improvements are made.

CURRENT FISCAL YEAR FINANCES

The following are estimated changes to the General Fund budget that are needed since the adoption of the FY 2013/14 budget in May 2013. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$8.5 million and an estimated total expenditure increase of \$9.2 million when the JEAP payment to Irvine is included. Staff expects to return in March 2014 to request budget adjustments in the required areas:

FY 2013/14 Potential Revenue Adjustments

- **Property Tax Revenue:** Based on the County tax ledger initial billing, secured property tax revenue increased by 3.79% over last year's billing and, after adjusting for estimated refunds, the projected increase is estimated to be \$1.4 million more than the current budget.
- **Supplemental Property Tax:** Based on current receipts of Supplemental Property Taxes, the budget has been exceeded by approximately \$1,200,000 to-date and a corresponding amount will be included in the Mid-Year Budget Adjustment. This revenue source can vary greatly from year-to-year and is difficult to predict with precision. As we approach March, this revenue source will be evaluated again.
- **Assistance-by-Hire (ABH):** OCFA is reimbursed for expenses incurred when our personnel are deployed to assist with out-of-county emergencies. Current year ABH reimbursements are approximately \$2.9 million greater than budget due to various out-of-county responses.

- **Inspection Services:** An increase of approximately \$1.2 million is estimated for inspection services fees to account for last fiscal year inspections billed in the current fiscal year. Inspections have been traditionally performed and tracked on a calendar year basis, but beginning with FY 2014/15, annual inspections will be revised to be performed on a fiscal year basis to align these revenues with the fiscal year.
- **Planning & Development (P&D) Fees:** P&D Fees are estimated at \$1.9 million over the adopted budget. This is due to an increase in construction plans submitted for OCFA review. As discussed in the Chapman forecast, there was a 23.5 percent increase in permit valuation in early 2013. This trend is expected to continue with a 15 percent increase forecasted for calendar year 2014. In order to keep pace with this added service demand, a corresponding expenditure increase is requested below for funding of P&D staff positions which were vacated and frozen during the economic recession.

FY 2013/14 Potential Expenditure Adjustments

- **Equity Payments:** The ratification of the Second Amendment to the JPA institutes equity payments to the overfunded Structural Fire Fund members as determined by a defined formula. The calculation has been performed for FY 2013/14 and a Jurisdictional Equity Adjustment Payment (JEAP) of approximately \$5.9 million is due to the City of Irvine. Exhibit 2 shows the calculation for FY 2013/14.
- **Assistance-by-Hire (ABH):** As stated above in regards to Revenue Adjustments, OCFA is reimbursed for expenses incurred when our personnel are deployed to assist with out-of-county emergencies. Current year ABH expenditures are estimated at \$2.4 million.
- **Staffing Needs:** The Community Risk Reduction (CRR) and Business Services Departments have experienced significant increases in service demands, requiring a need to reassess the level of staffing and frozen positions in these Departments. Proposed staffing adjustments include the following, and if approved in March will be pro-rated for the remaining portion of FY 2013/14:
 - **Planning & Development:** This Section has been impacted by a rapid return of construction activity in Orange County. Providing service to the development community without causing delays in turnaround times will require us to unfreeze and fill two vacant Senior Fire Prevention Specialist positions, for an estimated annual cost of \$280,000. These costs will be offset with increased P&D fee revenue driven by higher volume.
 - **Purchasing:** This Section has been impacted by a sharp increase in the volume of purchasing activity, numerous competitive bid processes, and a high volume of vendor competition. The increased competition produces positive outcomes, yet it also requires increased time for review, evaluation, and processing of bid submittals and contract awards. Staff is recommending to unfreeze one vacant Assistant Purchasing Agent position for an estimated annual cost of \$130,000.
 - **Clerk of the Authority:** This Section has been impacted by substantial increases in Public Records Requests, subpoena activity, and increased frequency of Board and Committee meetings. Keeping pace with these service demands is driving the need to add staffing. Staff is proposing to unfreeze one vacant Management Assistant position for an estimated annual cost of \$97,750.

- **Finance:** This Section is experiencing increased workload associated with responding to bulk data requests from the District Attorney and completing the HMD refund process. Two extra help / temporary employees are needed to help retrieve and organize the requested data, and to assist in processing vouchers for HMD customers that are due a refund. The estimated cost of temporary services is \$50,000.
- **Emergency Medical Services Consultant:** A contract for an Emergency Medical Services consultant in the amount of \$48,125 was approved by the Executive Committee in December 2013. The costs cannot be absorbed in the existing budget and will be included in the Mid-Year budget adjustment.
- **Labor Negotiator:** In December 2013 the Board approved the appointment of the firm, Liebert Cassidy Whitmore to perform employee MOU negotiations on behalf of the OCFA. The services require a budget adjustment of between \$75,000 and \$125,000 depending on the ultimate use of a contingency and will be included in the Mid-Year budget adjustment request in March.
- **Strategic Communications/Management Analysis:** Purchase orders with Management Partners and SAE Communications were approved by the Board in November 2013. It appears unlikely that the combined costs of approximately \$150,000 can be absorbed in the budget, therefore they will be included in the Mid-Year budget adjustment request.
- **Workers Compensation Actuarial Update:** The most recent actuarial report from July of 2013 indicates that an additional \$62,496 is required to maintain the 50% confidence level in the current fiscal year. The funding will be increased to a 60% confidence level in future years.
- **Transfers from CIP Funds to General Fund:** Approximately \$442,000 in expenditures is proposed to be transferred from CIP Funds 124 and 133 (Communications/Information Systems Replacement and Vehicle Replacement) to the General Fund (121). This transfer is to properly account for projects which have recently transitioned from Capital Improvements (purchase, installation and testing of new business systems) to ongoing operating maintenance. In the case of Fund 133, expenditures for a required helicopter inspection and rescue hoist overhaul were reclassified as maintenance. The impact to the General and CIP funds in future years is being analyzed and will be presented concurrent with the Proposed FY 2014/15 budget.

General Fund – Beginning Fund Balance Adjustment

Beginning Fund Balance - General Fund beginning fund balance will be adjusted in accordance with the 2012/13 year-end audit. This increase resulted primarily from salary savings due to vacancies as well as S&S savings.

FY 2013/14 Result of “Trigger” Formula Calculation for Base Salary Increase Determination

In accordance with Memorandums of Understanding (MOU) with all labor groups, a “trigger” formula calculation has been used to determine whether employee base salary increases shall be scheduled for February 2014. This “trigger” calculation determines how much is available for increases to base salary, after funding all general fund expenditures, the incremental increase to the contingency fund balance, and designating 5% of general fund expenditures for transfer to the Capital Improvement Funds.

The attached calculation (Exhibit 1) is based on figures from the 2013/14 adopted budget as well as the actual secured property tax initial tax levy from the County as required by the agreed upon methodology. The calculation for this year resulted in a negative approximately \$8.6 million, indicating that there are no funds available for “triggered” base salary increases.

The “trigger” formula calculation applies to all OCFA employees as of February 2014.

FY 2013/14 Capital Improvement Funds

- Facilities Maintenance & Improvements (Fund 122) – Cost containment in this fund continues by only completing projects deemed vital for operational readiness. A Community Development Block Grant (CDBG) in the amount of \$890,000 was approved by the Board in September for improvements to Fire Station 71 through 79 in Santa Ana. As a result of the fiscal year 2012/13 annual audit, beginning fund balance will increase by approximately \$300,000.
- Facilities Replacement (Fund 123) – The purchase of the second half of the hangar at Station 41 (Fullerton Airport) closed on July 1, 2013, rather than June 30, 2013 as anticipated. The construction for Fire Station 56 (Ladera) is to begin in early 2014. As a result of the fiscal year 2012/13 annual audit, beginning fund balance will increase by approximately \$2.7 million.
- Communications & Information Systems Replacement (Fund 124) – The Public Safety Systems Project is well under way and all contract awards are expected to be complete by June 30, 2014. As a result of the fiscal year 2012/13 annual audit, beginning fund balance will increase by approximately \$3 million.
- Vehicle Replacement (Fund 133) – Cost containment continues with staff attempting to defer vehicle purchases whenever possible. As a result of the fiscal year 2012/13 annual audit, beginning fund balance will increase by approximately \$3.9 million.

FUTURE FISCAL YEAR FINANCES

Significant factors that are anticipated to influence the FY 2014/15 budget include:

- **Equity Payments** – The ratification of the second amendment to the JPA will institute equity payments to the overfunded Structural Fire Fund members as determined by a defined formula. Although the long range forecast anticipates the ability to make these Jurisdictional Equity Adjustment Payments, (JEAP) they will affect the OCFA’s cash position on an annual basis.
- **Property Taxes** - Since property tax is the largest source of income for the General Fund at about 62% we have again contracted with Rosenow, Spevacek Group, Inc. (RSG) to update our property tax projections. Updated preliminary information for our 2014/15 budget will not be available until February 2014; therefore, in the interim we are continuing to use RSG’s prior projection for 2014/15 through 2017/18 of the Five-Year Financial Forecast. The Chapman Economic Forecast projected that property tax revenue will show continued, albeit slow, growth.
- **Retirement Rates** - The Orange County Employees Retirement System (OCERS) Board has adopted retirement rates for 2014/15. Employer rates for safety employees will increase by approximately 4.4% of pay and employer rates for general employees will increase by 4% of pay

compared to rates used to develop the 2013/14 budget adopted in May 2013. This reflects the impact of OCERS' 0.50% decrease in the assumed rate of return from 7.75% to 7.25%. The impact of this change is being phased-in over two fiscal years, starting in FY 2014/15, with rates scheduled to increase further in FY 2015/16 under current assumptions.

OCFA again plans to prepay one-half of our annual retirement contributions in January 2014 for 2014/15, which will save approximately \$2.1 million based on OCERS revised 7.25% discount rate.

PENDING ISSUES

- **TRAN** – The OCFA is anticipating the need to issue a Tax and Revenue Anticipation Note (TRAN) in early Fiscal Year 2014/15. In recent years the Authority has been able to take advantage of inter-fund borrowing to accommodate cash flow needs. With the Information Technology team making excellent progress on the Public Safety Systems Project and other capital projects underway, inter-fund borrowing is projected to be insufficient. Additionally the payment of JEAPs depletes the General Fund as a source of cash. The TRAN will provide for short-term cash needs until we receive our regular property tax payment from the Auditor-Controller, which typically occurs in December and April.
- **Prepayment of Retirement to OCERS** – OCERS has indicated they may reevaluate the discount program next year which could lead to a lowering of the prepayment discount or an elimination of the program. The current discount presents approximately \$2.1 million in annual savings, which is included in the budget and financial forecast. Although we were able to take advantage of this discount in the current fiscal year, staff continues to monitor this area and will report back to the Board should OCERS take such an action.

MONITORING FINANCIAL HEALTH

Financial Forecast

The Fiscal Health Plan directs staff to monitor our financial indicators through frequent updates to the Authority's Five Year Financial Forecast, measuring revenues, expenditures, debt, and committed and uncommitted fund balance. These categories are forecast using all available information, Board actions, and economic conditions (Exhibits 4 and 5).

A trend report has been developed comparing the differences between the forecasted data and actual financial results and is attached to this Review as Exhibit 3.

Accelerated Paydown of UAAL

The FY 2013/14 Adopted Budget included an initial payment of \$2.7 million towards accelerated paydown of the OCFA's Unfunded Actuarial Accrued Liability (UAAL) with OCERS. This proposed mid-year review also includes an additional \$3 million lump sum payment towards the UAAL, in

compliance with the plan adopted by the Board in September 2013. With approval of this agenda item, total accelerated payments for FY 2013/14 will be \$5.7 million.

Reconciliation of Fee Funded Programs

Staff has completed the reconciliation of FY 2012/13 Fee Funded Programs. Based on the volume of activity in FY 2012/13 and the corresponding fee-component which provides for automation and vehicle replacement, staff recommends a transfer of \$251,180 to the CIP Funds. Of this amount, \$165,775 is for Planning and Development (P&D) business system software replacement and program-specific vehicles. The remaining amount of \$85,405 is for Safety and Environmental Services (S&ES) business system software replacement and program-specific vehicles.

OCFA TRIGGER FORMULA
 (Reformatted from the Five Year Financial Forecast - Baseline Model)
 FY 2013-14

GENERAL FUND REVENUES	GENERAL FUND EXPENDITURES
Property Taxes	188,352,230 *
State Reimbursements	4,193,788
Federal Reimbursements	100,000
One-Time Grant Proceeds	
CRA Pass-Thru's	7,149,498
Cash Contracts	83,980,236
Haz Mat Services Section	-
Fire Prevention Fee	5,608,437
ALS Supplies & Transport Reimbursement	4,570,574
Interest Earnings	221,379
Other Revenue	998,584
TOTAL REVENUES (A)	295,174,726
GENERAL FUND SURPLUS/(DEFICIT) = (A-B)	5,851,356
Fund 5% of General Fund Expenditures to CIP	(14,447,993)
TRIGGER FORMULA FUNDS AVAILABLE - ALL GROUPS	(8,596,637)

Salaries	167,037,200
Retirement	62,484,495
Worker's Comp	12,763,412
Insurance, Medicare, Etc.	24,243,572
Salaries & Employee Benefits	266,528,679
Services & Supplies/Equipment	22,431,181
One-Time Grant Expenditures	-
TRAN Debt Service - Interest Expense	-
Incremental Increase to Contingency Fund Balance	363,510 (a)
TOTAL EXPENDITURES (B)	289,323,370

(a) This item is in addition to the total shown for General Fund expenditures on the Five Year Financial Forecast. For purposes of the Forecast, this item is reflected in Section B. Should additional increases be needed to replenish Contingency Fund Balance that may have been used for budget deficits, these increases will be funded first from the cash flow fund balance.

(excludes incremental increase to Contingency Fund Balance)

* - FY 2013/14 adopted total property tax amount adjusted by the FY 2013/14 secured property tax ledger. Assumes 1% roll change/refund factor.

**Orange County Fire Authority
FY 2013/14 Equity Calculations
Updated 12/10/2013**

I. Calculate Average SFF Rate				
Description	Agmt. Ref.	Source	Amount	Calculation
Total SFF Revenue Figure	Pg. 3, Sec. 4.A.(1)	AT68AD-73 Auditor Controller Accumulation of Combined Prior Year and Current Year ATI	186,395,536	[A]
Total AV Figure	Pg. 4, Sec. 4.A.(2)	AT04VC-74 Auditor Controller District Values Used to Set Tax Rates	161,139,157,766	[B]
SFF Basic Levy Figure	Pg. 4, Sec. 4.A.(3)	Total AV Figure X 1%	1,611,391,578	[C] = [B] X 1%
Average SFF Rate	Pg. 4, Sec. 4.A.(4)	SFF Revenue Figure / SFF Basic Levy Figure	11.57%	[D] = [A] / [C]

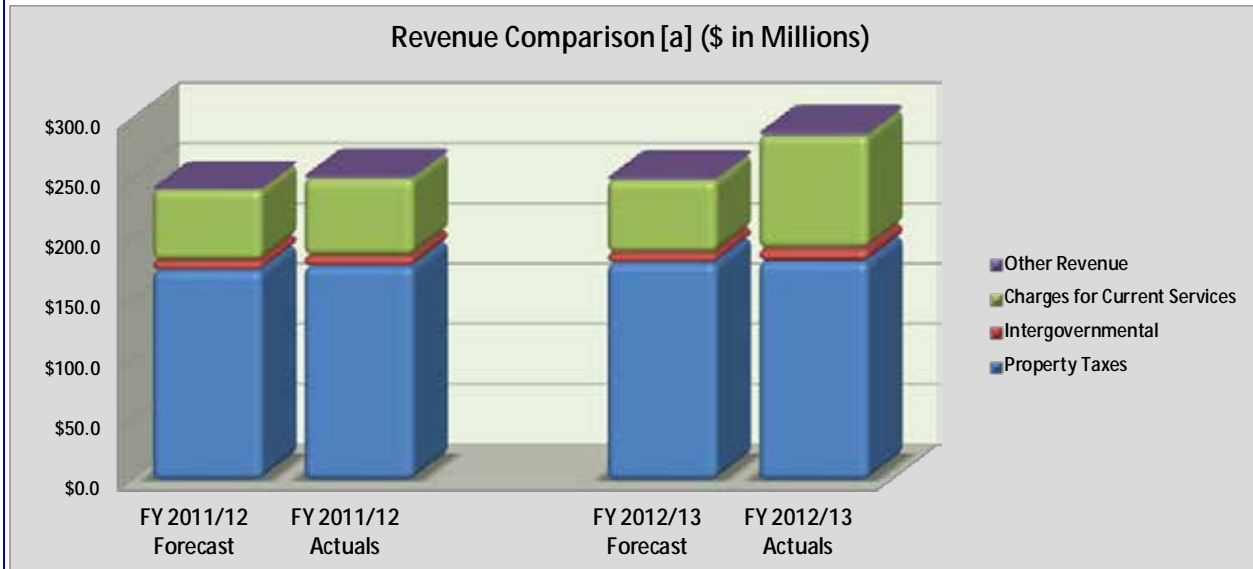
II. Calculate Jurisdictional Equity Adjustment Payment						
City	Jurisdictional SFF Revenue Figure per Auditor-Controller AT68AD-73 Report	Jurisdictional AV Figure per Auditor-Controller AT04VC-74 Report (L&I)	Jurisdictional Basic Levy Figure	Jurisdictional SFF Rate	Over-Funded SFF Jurisdictions	Jurisdictional Equity Adjustment Payment
Agreement Ref. Calculation	Pg. 5, Sec. 4.A.(5).a [E]	Pg. 5, Sec. 4.A.(5).b [F]	Pg. 5, Sec. 4.A.(5).c [G]=[F] X 1%	Pg. 5, Sec. 4.A.(5).d [H]=[E] / [G]	Pg. 5, Sec. 4.A.(6) IF [H] > [D]	Pg. 6, Sec. 4.A.(6) [I]=([H]X[G])-(D)X[G]
Aliso Viejo	9,078,539	7,947,226,931	79,472,269	11.42%		
Cypress	4,302,153	4,810,136,198	48,101,362	8.94%		
Dana Point	10,324,890	8,984,563,110	89,845,631	11.49%		
Irvine	62,818,290	49,140,086,019	491,400,860	12.78%	11.57%	5,976,162
Laguna Hills	5,819,188	5,637,507,768	56,375,078	10.32%		
Laguna Niguel	12,988,031	12,375,151,672	123,751,517	10.50%		
Laguna Woods	2,614,707	2,240,278,497	22,402,785	11.67%	11.57%	23,296
Lake Forest	11,764,437	10,193,700,127	101,937,001	11.54%		
La Palma	1,365,622	1,484,791,222	14,847,912	9.20%		
Los Alamitos	1,619,355	1,624,069,697	16,240,697	9.97%		
Mission Viejo	14,051,316	13,149,054,138	131,490,541	10.69%		
Rancho Santa Margarita	8,305,384	6,748,149,156	67,481,492	12.31%	11.57%	499,554
San Juan Capistrano	6,089,775	5,293,380,092	52,933,801	11.50%		
Villa Park	1,493,780	1,462,711,908	14,627,119	10.21%		
Yorba Linda	9,091,605	9,831,129,109	98,311,291	9.25%		
County Unincorporated	24,668,464	20,217,222,122	202,172,221	12.20%	11.57%	1,282,466
Total OCFA SFF	186,395,536	161,139,157,766	1,611,391,578			7,781,477

Per 2nd Amendment to JPA, only Irvine receives a JEAP in FY 2013/14

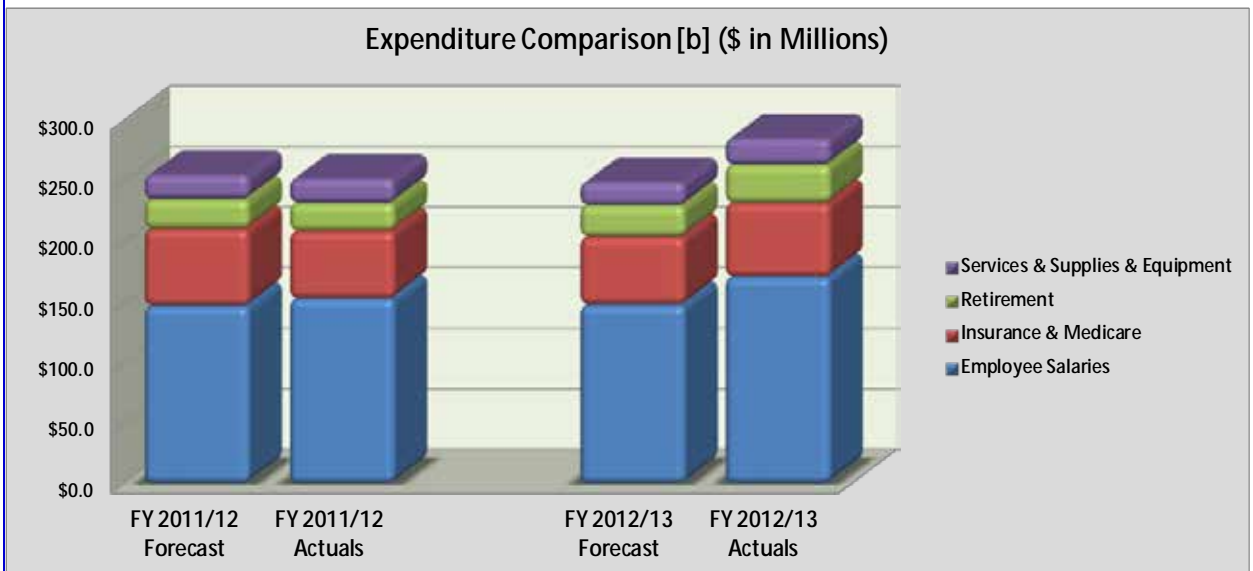
2013 Trend Analysis: Summary of 2-Year Forecast vs. Adjusted Actuals

Comparison of 2011/12 Forecast as Presented in 2010/11 Adopted Budget to 2011/12 Actuals
and

Comparison of 2012/13 Forecast as Presented in 2011/12 Adopted Budget to 2012/13 Actuals



[a] Actual revenue adjusted for one-time sources not forecasted such as assistance by hire revenue, grant revenue, and one-time revenue associated with RDA dissolutions. Difference between forecast and actuals in FY 2012/13 primarily due to Santa Ana joining OCFA.



[b] Actual expenditures adjusted for one-time items not forecasted such as Santa Ana start-up costs and grant expenditures. Difference between forecast and actuals in FY 2012/13 primarily due to Santa Ana joining OCFA.

Updated* Five-Year Financial Forecast

*Includes all Board approved adjustments and proposed Mid-Year adjustments

	ADJUSTED 2013/14	PROJECTED 2014/15	PROJECTED 2015/16	PROJECTED 2016/17	PROJECTED 2017/18
A. BEGINNING FUND BALANCE	172,407,421	145,789,586	145,467,058	146,441,077	140,256,876
GENERAL FUND REVENUES					
Property Taxes	189,627,422	194,950,768	202,538,132	210,797,029	218,988,691
State Reimbursements	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
One-Time Grant/ABH/RDA	5,501,565	-	-	-	-
Community Redevelopment Agency Pass-thru	7,149,498	7,326,880	7,511,172	7,706,470	8,248,676
Cash Contracts	83,575,236	87,416,379	89,848,537	92,283,088	94,727,685
Community Risk Reduction Fees	8,645,437	6,652,190	6,851,756	7,057,308	7,269,028
ALS Supplies & Transport Reimbursement	4,570,574	4,570,574	4,570,574	4,570,574	4,570,574
Interest Earnings	221,379	432,380	631,649	820,198	1,190,872
Other Revenue	1,497,522	1,118,663	1,118,663	1,118,663	1,118,663
TOTAL REVENUES	305,082,421	306,761,622	317,364,271	328,647,119	340,407,977
GENERAL FUND EXPENDITURES					
New Positions for New Stations		1,091,834	2,201,862	2,231,538	4,489,004
Employee Salaries	166,913,934	167,080,078	167,080,078	167,080,078	167,080,078
Retirement - Regular Annual Payments	59,973,920	68,754,441	71,155,679	70,776,041	70,542,444
Retirement - Paydown of UAAL (Rate Savings)	2,500,000	-	1,292,059	1,653,114	1,886,420
Retirement - Paydown of UAAL (Unencumbered Funds from 12/13)	3,000,000				
Retirement - Paydown of UAAL (\$1M per Year)				1,000,000	2,000,000
Workers' Comp Transfer out to Self-Ins. Fund	12,825,908	13,811,667	14,156,139	14,580,823	15,018,248
Other Insurance	22,034,649	24,082,990	26,282,570	28,693,846	31,333,679
Medicare	2,202,881	2,422,661	2,422,661	2,422,661	2,422,661
One-Time Grant/ABH Expenditures	3,576,632	-	-	-	-
Salaries & Employee Benefits	273,027,924	277,243,671	284,591,049	288,438,101	294,772,534
Services & Supplies/Equipment	23,630,969	23,896,686	23,896,686	23,896,686	23,896,686
New Station/Enhancements S&S Impacts		50,653	104,345	107,475	221,399
One-Time Grant Expenditures	1,350,000	-	-	-	-
TOTAL EXPENDITURES	298,008,893	301,191,010	308,592,080	312,442,262	318,890,619
NET GENERAL FUND REVENUE	7,073,528	5,570,613	8,772,191	16,204,857	21,517,358
B. Incremental Increase in GF 10% Contingency	-	1,336,250	610,901	248,913	521,505
Equity Payments	5,976,162	2,017,438	4,225,671	8,325,105	9,230,171
Equity - Accrued Pmt to Irvine from 14/15 & 15/16				4,648,167	3,245,308
GENERAL FUND SURPLUS / (DEFICIT)	1,097,367	2,216,925	3,935,619	2,982,672	8,520,374
C. Operating Transfers to/(from) GF Cashflow	-	-	-	-	-
Transfers to CIP from General Fund Surplus	1,097,367	2,216,925	3,935,619	2,982,672	8,520,374
Transfers to CIP from Cash Flow Fund/Unencumbered Funds from 12/13	3,400,480	-	-	-	-
Transfers to CIP from Cash Flow Fund (Community Risk Reduction Fees)	251,180	-	-	-	-
Total Operating Transfers to CIP	4,749,027	2,216,925	3,935,619	2,982,672	8,520,374
Capital Improvement Program/Other Fund Revenues					
Interest Earnings	486,293	944,516	1,434,362	1,879,623	1,469,454
State/Federal Reimbursement	1,810,000				
Cash Contracts	1,593,373	1,665,900	1,707,777	1,750,910	1,795,337
Developer Contributions	5,508,556				
Workers' Comp Transfer in from GF	12,825,908	13,811,667	14,156,139	14,580,823	15,018,248
Miscellaneous	346,577				
Operating Transfers In	1,097,367	2,216,925	3,935,619	2,982,672	8,520,374
Total CIP, W/C, Other Revenues	23,668,074	18,639,008	21,233,897	21,194,028	26,803,412
Capital Improvement Program/Other Fund Expenses					
Fund 122 - Facilities Maintenance & Improvements	2,237,614	1,274,498	1,302,122	1,330,505	1,359,669
Fund 123 - Facilities Replacement	12,956,900	-	-	-	-
Fund 124 - Communications & Info Systems Replace.	12,708,617	2,081,964	1,691,819	5,135,936	5,583,434
Fund 133 - Vehicle Replacement	11,826,839	6,120,661	7,109,038	9,851,434	5,914,201
Sub-Total CIP Expenses	39,729,970	9,477,123	10,102,979	16,317,875	12,857,304
Fund 171 - SFF Entitlement	699,758	568,402			
Fund 190 - WC Self-Ins. (Cashflow Payments per Actuary)	9,856,181	10,252,260	10,767,801	11,309,266	11,877,959
Total CIP, W/C, Other Expenses	50,285,909	20,297,785	20,870,780	27,627,141	24,735,263
D. CIP SURPLUS/(DEFICIT)	(26,617,835)	(1,658,777)	363,117	(6,433,113)	2,068,149
ENDING FUND BALANCE (A+B+C+D)	145,789,586	145,467,058	146,441,077	140,256,876	142,846,530
Fund Balances					
Operating Contingency (10% of Expenditures)	28,782,851	30,119,101	30,730,002	30,978,915	31,500,420
General Fund Cashflow (OCERS Pre-Pay)	19,155,458	19,155,458	19,155,458	19,155,458	19,155,458
Community Risk Reduction - General fund	935,870	935,870	935,870	935,870	935,870
Donations & Developer Contributions	4,923	4,923	4,923	4,923	4,923
Fund 171 - Structural Fire Fund Entitlement	568,402	-	-	-	-
Capital Improvement Program	39,255,896	34,606,114	31,580,893	21,876,223	20,804,084
Community Risk Reduction Fee-Funded Capital Needs	886,075	886,075	886,075	886,075	886,075
Fund 190 - WC Self-Insurance	56,200,111	59,759,518	63,147,856	66,419,413	69,559,701
Total Fund Balances	145,789,586	145,467,058	146,441,077	140,256,876	142,846,530

Forecast Assumptions – Mid-Year Revised

Basic Assumptions:

The Adopted 2013/14 budget and the Five-Year Capital Improvement Plan, approved by the Board of Directors on May 23, 2013, form the basis for this financial forecast. Additionally, all adjustments proposed in the Mid-Year Review have been included.

General Fund Revenues:

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

2014/15	3.02%
2015/16	4.18%
2016/17	4.37%
2017/18	4.15%

- **Public Utility, Unsecured, Homeowners Property Tax Relief, and Supplemental Delinquent Taxes** – All of these categories of property taxes are projected to remain constant during the forecast period.
- **State Reimbursements** – State reimbursements are expected to remain constant, pending more details from CAL FIRE.
- **Federal Reimbursements** – This revenue is projected to remain constant.
- **One-Time Grant/ABH/RDA Proceeds** – These are one-time only revenues that vary significantly from year to year and therefore are not forecasted beyond the current year. The FY 2013/14 budget was increased by \$4,197,935 for increases in grants and assistance by hire.
- **Community Redevelopment Agency Pass-thru Revenue** – RSG completed an RDA Excess Revenue Analysis of pass-thru and residual revenues from the dissolution of the redevelopment agencies dated 3/1/2013. The forecast figures come from this report.
- **Cash Contracts** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments and year-over-year changes are estimated between 2.0% and 3.8% per year, with a 4.5% cap. In addition, this revenue category includes projected John Wayne Airport contract proceeds with an annual 4% increase cap, which is projected to continue through the forecast period.
- **Community Risk Reduction Fees** – Projected FY 2013/14 revenue was revised upward at mid-year by \$1,237,000 for inspection services and \$1,900,000 for planning & development fees due to increased construction activity. In FY 2014/15 planning and development fees are forecasted to increase by an additional \$950,000. After FY 2014/15, Community Risk Reduction Fee revenue is estimated to grow by 3% per year through the forecast period.

- **ALS Supplies & Transport Reimbursements** – This revenue is estimated to remain flat.
- **Interest Earnings** – Assumes an annual return of 0.5% for 2013/14, 1.00% for 2014/15, 1.50% for 2015/16 and 2.00% 2016/17 and 2017/18.
- **Other Revenue** – This revenue source includes various items such as reimbursements for training and cost recovery for the firefighter handcrew.

General Fund Expenditures

- **Salaries & Employee Benefits** – S&EB is composed of the following factors:
 - ü **New Positions for New Stations** – 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.
 - ü **Employee Salaries** – Salaries reflect the extended MOUs. The forecast does not contain estimated increases based on the “trigger” formula. In addition, salary increases are not projected for the years that follow expiration of the current MOUs.
 - ü **Retirement** – Retirement costs reflecting the projected employer retirement rates are based on several sources (shown below) and adjusted for changes in employee contributions.

<u>Fiscal</u> <u>Year</u>	<u>Safety</u>	<u>General</u>	<u>Source</u>
2013/14	47.10%	31.70%	Scenario #1 in Segal Report dated 11/11/2011
2014/15	49.83%	36.70%	Phased-In Rates from OCERS Letter dated 10/2/2013
2015/16	51.90%	38.10%	Scenario #2 (7.25%) in Segal Report Dated 8/30/2013
2016/17	51.60%	37.90%	Scenario #2 (7.25%) in Segal Report Dated 8/30/2013
2017/18	51.40%	37.80%	Scenario #2 (7.25%) in Segal Report Dated 8/30/2013

The FY 2013/14 forecast includes a total of \$5.5 million in funding for accelerated paydown of the OCFA’s Unfunded Actuarial Accrued Liability (UAAL) with OCERS. This amount is comprised of the proposed mid-year adjustment of \$3 million, and \$2.5 million in retirement rate savings from prior forecast projections which used higher retirement rates.

In accordance with September 2013 board action, outer years of the forecast include projected UAAL paydowns based on retirement rate savings and an additional \$1 million per year for five years beginning in FY 2016/17.

- ü **Workers’ Compensation** – FY 2013/14 continues the “stair-step” up to the 60% confidence level for ongoing Workers’ Compensation costs as set by the Board of Directors. The 60% confidence level will be achieved in FY 2014/15 and maintained thereafter.
- ü **Other Insurance** – Medical insurance rates for firefighters are assumed to grow annually by 9%. For staff members, it is projected to grow by 10% annually. This category also includes \$40,000 for unemployment insurance.
- ü **Medicare** – Annual amounts are calculated at 1.45% of projected salaries.

- ***One-Time Grant/ABH Expenditures*** –Reflects the corresponding expenditures for the one-time grant/ABH proceeds mentioned above.
- ***Services and Supplies (S&S)*** – S&S is held flat unless a new fire station is built, specific increases have been identified by section managers, or one-time grant proceeds have been received.

Net General Fund Revenue

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

Incremental Increase in General Fund 10% Contingency:

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

Equity Payments

Equity Payments for FY 2013/14 are calculated based on procedures set forth in the Second Amendment to the Joint Powers Agreement which references various reports produced by the County Auditor Controller's office. Equity payments in outer years are projected based on property tax growth forecasts in RSG's Final 2013 Report. Pursuant to the Second Amendment to the Joint Power Agreement, if there are insufficient funds to make Irvine Equity Payments in FY 2014/15 and/or FY 2015/16, a portion of the Irvine Equity Payment may be deferred for two years.

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 0.5% for 2013/14, 1.00% for 2014/15, 1.50% for 2015/16 and 2.00% 2016/17 and 2017/18.
- ***State/Federal Reimbursement*** – The forecast assumes receipt of a \$920,000 ECC 911 telephone system upgrade project reimbursement in FY 2013/14 and \$890,000 in CDBG grant funds for improvements to Santa Ana Fire Stations #71 through #79.
- ***Cash Contracts*** – The forecast calculations are based on the Joint Powers Agreement and subsequent amendments.
- ***Developer Contributions*** – In FY 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 171)*** – Remaining funds will be expended through the forecast period.
- ***Self-Insurance Fund (Fund 190)*** – FY 2013/14 through FY 2015/16 are based on projected payments in the Rivelle Consulting Services January 2013 Study. FY 2016/17 and FY 2017/18 assume the same average year-over-year increase included in the Rivelle study.

Fund Balances:

- ***Operating Contingency*** – Reflects policy of 10% of the General Fund expenditures each year (less one-time expenditures and equity payments). General Fund deficits (if applicable) are deducted from this category of fund balance once the Cash Flow fund balance is exhausted.
- ***Cash Flow*** – The fund balance for the previous year, reduced by any General Fund deficits (if applicable).

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.

REPORTS – AGENDA ITEM NO. 10
BOARD OF DIRECTORS MEETING
January 23, 2014

CHIEF'S REPORT

1. Customer Satisfaction Survey Results by City - December 2013

CUSTOMER SATISFACTION SURVEY

Attachment 1

Data by City for December 1 - 31, 2013

CITY/AREA	FORMS SENT	FORMS RETURNED *	PERCENT RETURNED *	AVERAGE RATING
Aliso Viejo	133	25	18.80%	99.12%
Buena Park	273	41	15.02%	97.65%
Coto de Caza	7	1	14.29%	92.86%
Cypress	133	31	23.31%	98.04%
Dana Point	129	21	16.28%	98.95%
El Modena	0	0		
Emerald Bay	0	0		
Irvine	618	91	14.72%	97.28%
La Palma	69	11	15.94%	94.16%
Ladera Ranch	13	2	15.38%	87.50%
Laguna Hills	164	29	17.68%	96.80%
Laguna Niguel	205	33	16.10%	98.29%
Laguna Woods	260	89	34.23%	97.25%
Lake Forest	214	37	17.29%	95.22%
Los Alamitos	89	16	17.98%	100.00%
Las Flores	0	0		
Midway City	29	7	24.14%	95.41%
Mission Viejo	399	101	25.31%	97.68%
Modjeska Canyon	0	0		
Orange Park Acres	0	0		
Placentia	159	21	13.21%	98.10%
Portola Hills	0	0		
Rancho Santa Margarita	110	22	20.00%	96.83%
Rossmoor	3	1	33.33%	92.86%
San Clemente	173	54	31.21%	98.24%
San Juan Capistrano	141	31	21.99%	97.51%
Santa Ana	984	113	11.48%	96.91%
Santa Ana Heights	22	1	4.55%	100.00%
Santiago Canyon	0	0		
Seal Beach	200	38	19.00%	98.47%
Silverado Canyon	6	0		
Stanton	134	12	8.96%	96.43%
Trabuco Canyon	23	4	17.39%	99.11%
Tustin	232	38	16.38%	95.37%
Villa Park	16	6	37.50%	95.12%
Westminster	339	55	16.22%	97.16%
Yorba Linda	194	50	25.77%	98.07%
Non-OCFA cities	131	19	14.50%	96.96%
TOTALS/AVERAGE	5,602	1,000	17.85%	96.78%

* Forms Returned and Percent Returned include forms sent in prior months, received this month.