



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Thursday, July 25, 2013

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 Bob George

PLEDGE OF ALLEGIANCE by Director McCullough

ROLL CALL

PRESENTATIONS

1. **Requests for Commendations and Proclamations**

Submitted by: Sherry Wentz, Clerk of the Authority

- A. Presentation of Certificate of Heroism Chief's Award to City of Tustin resident Roger Costa
- B. Presentation of V.H. Blackinton & Co. Inc., 2012 Heroism & Community Service Award to Firefighter/Paramedic Robert Davidson
- C. Presentation of Certificate of Achievement to the Business Services Department – Finance Division, Orange County Fire Authority for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its Comprehensive Annual Financial Report (CAFR)

Recommended Action:

Approve request as submitted and make 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**

Chief Negotiator: Craig Kinoshita, Deputy Fire Chief

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

Authority: Government Code Section 54957.6

CLOSED SESSION REPORT

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

MINUTES

2. **Minutes from May 23, 2013, Regular Board of Directors Meeting (A) and June 27, 2013, Special Board of Directors Meeting (B)**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

CONSENT CALENDAR

3. **Monthly Investment Report**

Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:

Receive and file the report.

4. **Internal Control Review on Billing and Revenue Recognition of Fire Prevention Fees**

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

Recommended Actions:

1. Direct staff to implement the recommendations as stated in the attached report.
2. Authorize staff to amend the Master Position Control to add a limited term Finance Manager to assist with the implementation of the recommended actions and to assist in strengthening the overall internal control environment surrounding fee-funded programs.
3. Direct staff to increase General Fund (121) appropriations in the FY 2013/14 Adopted Budget by \$100,000 to cover the cost of a temporary and part-time Finance Manager.

5. **Information Management Technologies Sole Source Purchase Order**

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

Recommended Action:

Authorize the Purchasing Manager to issue a sole source Purchase Order to Information Management Technologies for an amount not-to-exceed \$16,700 for a single-scope programming project relating to implementation of an overtime cap for suppression personnel.

6. **Contract for Aircraft Rescue Fire Fighting Services at John Wayne Airport**

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

Recommended Action:

Approve and authorize the Fire Chief to execute the proposed contract for Aircraft Rescue Fire Fighting Services at John Wayne Airport.

7. Status Update – Refunds for Unverified Hazardous Materials Disclosure Inspections
Submitted by Keith Richter, Fire Chief

Recommended Action:
Receive and file report.

8. FY 12/13 Annual Progress Report on Planning and Development Activity
Submitted by: Laura Blaul, Assistant Chief/Fire Marshal, Fire Prevention Department

Recommended Action:
Receive and file the report.

9. Authorization to Negotiate and Execute Lease Amendments and/or New Leases for Current and Future Tenants of the Newly Acquired Hangars at Fire Station 41 (Fullerton Airport), Air Operations Maintenance Facility
Submitted by: Brian Stephens, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Fire Chief to negotiate and execute lease amendments for Hangars 1, 3, and 4 respectively, in substantial compliance with the proposed amendments.
2. Approve and authorize the Fire Chief to negotiate, approve and execute any future leases and/or lease amendments for FS 41 Hangars.
3. Amend the Orange County Fire Authority Roles/Responsibilities/Authorities Matrix to authorize the Fire Chief to negotiate, approve and execute leases and/or amendments for FS 41 Hangars.

10. Annual Update: Santiago and Freeway Complex Fire After Action Reports
Submitted by: Brian Stephens, Assistant Chief/Support Services Department

Recommended Action:
Receive and file the reports.

DISCUSSION CALENDAR

11. Annual Workers' Compensation Update and Actuarial Report for CY 2012
Submitted by Craig Kinoshita, Deputy Fire Chief

Recommended Action:
Receive and file report.

PUBLIC HEARING(S)

No items.

REPORTS

12. Orange County Employees' Retirement System Status Report

13. Chief's Report

ELECTION OF BOARD CHAIR/VICE CHAIR

BOARD MEMBER COMMENTS

CLOSED SESSION

CS2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Claim: John Lawrence v. OCFA

Case No. WCAB: ADJ7888335

Authority: Government Code Section 54956.9(a)

CS3. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: People of the State of California v. Nicolas Alejandro Cendoya

Case No.: Superior Court Case No. 13CF1410

Authority: Government Code Section 54956.9(d)(1) and (d)(4)

CS4. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Authority: Government Code Section 54956.9(c) (1 case)

CLOSED SESSION REPORT

ADJOURNMENT - The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for September 26, 2013, 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 18th day of July 2013.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting	Wednesday, August 14, 2013, 12 noon
Claims Settlement Committee Meeting	Thursday, August 22, 2013, 5:30 p.m.
Executive Committee Meeting	Thursday, August 22, 2013, 6:00 p.m.

There are no supportive materials
for Presentation Item Nos. 1A, 1B, and 1C

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Board of Directors Regular Meeting
Thursday, May 23, 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 May 23, 2013, at 6:55 p.m. by Chair Trish Kelley.

INVOCATION

Chaplain Jeff Hetschel offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present:	Joseph Aguirre, Placentia	Sam Allevato, San Juan Capistrano
	Angelica Amezcua, Alternate, Santa Ana	Bob Baker, San Clemente
	Rick Barnett, Villa Park	Dore Gilbert, Alternate, Laguna Hills
	Gerard Goedhart, La Palma	Noel Hatch, Laguna Woods
	Eugene Hernandez, Yorba Linda	Robert Johnson, Cypress
	Trish Kelley, Mission Viejo	Warren Kusumoto, Los Alamitos
	Jerry McCloskey, Laguna Niguel	Kathryn McCullough, Lake Forest
	Al Murray, Tustin	David Shawver, Stanton
	Gordon Shanks, Alternate, Seal Beach	Elizabeth Swift, Buena Park
	Todd Spitzer, County of Orange	Tri Ta, Westminster
	Phillip Tsunoda, Aliso Viejo	Steven Weinberg, Dana Point

Absent:	Pat Bates, County of Orange	Randal Bressette, Laguna Hills
	Carol Gamble, Rancho Santa Margarita	Jeffrey Lalloway, Irvine
	David Sloan, Seal Beach	Sal Tinajero, Santa Ana

Also present were:

Fire Chief Keith Richter	General Counsel Dave Kendig
Deputy Chief Craig Kinoshita	Assistant Chief Laura Blaul
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 Director Goedhart and second by Director Hernandez, the Board voted unanimously to approve the requests as submitted, and make presentations to those present.

- A. The Board of Directors adopted Resolution No. 2013-08, declaring May 27 through September 2, 2013, as “Drowning Prevention Summer.” (F: 11.09A) (X: 18.19)

RESOLUTION NO. 2013-08
A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS RECOGNIZING MAY 27 THROUGH
SEPTEMBER 2, 2013, AS “DROWNING PREVENTION SUMMER”

- B. The OCFA Board adopted Resolution No. 2013-09 recognizing Deputy Fire Chief Ron Blaul in appreciation of the occasion of his retirement. Chair Kelley and Fire Chief Richter thanked him for his many years of service to the OCFA. (F: 11.09D)

RESOLUTION NO. 2013-09
A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS IN APPRECIATION OF
DEPUTY FIRE CHIEF RON BLAUL
ON THE OCCASION OF HIS RETIREMENT

- C. Chair Kelley and Fire Chief Richter recognized OCFA Length of Service recipient Fire Captain/Paramedic Kevin Tuohy for his 30 years of service. (F: 11.09D)
- D. Chair Kelley commended Fire Chief Richter for receiving the 2013 Metropolitan Fire Chief of the Year Award from the Metropolitan Fire Chiefs Association. (F: 17.10A)

PUBLIC COMMENTS (X: 11.11)

Chair Kelley opened the Public Comments portion of the meeting.

Public comments were received by Seth Foerster, San Clemente resident, regarding concerns with fire road clearance in San Clemente. (F: 18.17)

Public comments were received by Dennis Sorensen, retiring Senior Accountant, who thanked the OCFA for allowing him the opportunity to work for them. He indicated he had many fond memories to take with him. (F: 17.10F)

Chair Kelley 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 Labor Negotiator.

Chair Kelley recessed the meeting to Closed Session at 7:14 p.m.

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiator: Zenovy Jakymiw, Director of Human Resources

Employee Organizations: Orange County Professional Firefighters' Association, Local 3631, Orange County Fire Authority Chief Officers' Association, and Orange County Employees' Association, and all unrepresented employees.

Authority: Government Code Section 54957.6

Chair Kelley reconvened the meeting at 8:06 p.m.

CLOSED SESSION REPORT (F: 11.15)

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

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

Budget and Finance Committee Chair Al Murray reported at the May 8, 2013, meeting of the Budget and Finance Committee, the Committee discussed and voted unanimously to send the 2013/14 Draft Proposed Budget, Updated OCFA Advanced Life Support (ALS) Paramedic and Basic Life Support (BLS) Medical Supplies Reimbursement Rates, and the Updated Cost Reimbursement Rates and Methodologies to the Board of Directors with the recommendation that the Board approve the items. He also reported the Committee received a status update on the Orange County Employees' Retirement System and a report on the Rosenow Spevacek Group, Inc. (RSG) Final Property Tax Revenue Projections. He indicated although the financial reports looked optimistic, the Committee continued to be concerned about future projections.

MINUTES

2. Minutes from March 14, 2013, Special (A), March 28, 2013, Regular (B), and April 25, 2013, Special (C) Meetings of the Board of Directors (F: 11.06)

On motion of Vice Chair Weinberg and second by Director McCullough, the Board voted to approve the Minutes from the March 14, 2013, Special meeting, March 28, 2013, Regular meeting, and April 25, 2013, Special meeting of the Board of Directors with an amendment to the April 25, 2013, Special meeting, noting an abstention for Director Barnett on the second vote for Agenda Item No. 1, OCERS' Proposed Actuarial Funding Policy.

Minutes

OCFA Board of Directors Regular Meeting

May 23, 2013 Page - 3

CONSENT CALENDAR

3. FY 2012/13 Quarter Progress Report on Planning and Development Services Activity (F: 18.03A)

On motion of Director Murray and second by Vice Chair Weinberg, the Board voted unanimously to receive and file the report.

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

On motion of Director Murray and second by Vice Chair Weinberg, the Board voted unanimously to:

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

5. Adoption of Resolution Extending Benefits and Compensation for Activated Military Reservists (F: 17.19)

On motion of Director Murray and second by Vice Chair Weinberg, the Board voted unanimously to approve Resolution No. 2013-10, extending benefits and compensation for activated Military Reservists.

RESOLUTION NO. 2013-10
A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS EXTENDING BENEFITS AND
COMPENSATION FOR ACTIVATED MILITARY RESERVISTS

6. Approve the Appointment of the Fire Chief to the Fire Agencies Insurance Risk Authority (FAIRA) Governing Board and Designate the Risk Manager as the Alternate OCFA Representative (F: 18.10A4b)

On motion of Director Murray and second by Vice Chair Weinberg, the Board voted unanimously to approve Resolution No. 2013-11, appointing the OCFA Fire Chief to the FAIRA Governing Board and designating the OCFA Risk Manager as the alternate OCFA representative.

RESOLUTION NO. 2013-11
A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY (OCFA)
BOARD OF DIRECTORS APPOINTING THE FIRE CHIEF AS THE OCFA
REPRESENTATIVE TO THE FIRE AGENCIES INSURANCE RISK
AUTHORITY AND DESIGNATING THE OCFA RISK MANAGER AS THE
ALTERNATE OCFA REPRESENTATIVE

PUBLIC HEARINGS

7. Adoption of the 2013/14 Proposed Budget (F: 15.04 FY 2013/14)

Assistant Chief Lori Zeller provided an overview of the 2013/14 Proposed Budget and introduced Treasurer Tricia Jakubiak who provided a comprehensive PowerPoint presentation.

Chair Kelley opened the Public Hearing for comments.

Stephen Wontrobski, Mission Viejo resident, provided public comments in opposition to the adoption of the 2013/14 Proposed Budget.

Chair Kelley closed the Public Hearing.

A lengthy discussion ensued.

On motion of Vice Chair Weinberg and second by Director Murray, the Board, by roll call vote, voted to:

1. Adopt the submitted 2013/14 Proposed Budget.
2. Approve and authorize the temporary transfer from the following funds totaling \$41.0 million to Fund 121 (General Fund) to cover a projected cash flow timing deficit for 2013/14:
 - a) \$2.5 million from Fund 122 (Facilities Maintenance and Improvement Fund)
 - b) \$8.5 million from Fund 123 (Facilities Replacement Fund)
 - c) \$8.0 million from Fund 124 (Communications/Information Systems Replacement Fund)
 - d) \$22.0 million from Fund 133 (Vehicle Replacement Fund)
3. Approve and authorize the repayment of \$41.0 million in borrowed funds from Fund 121 to Funds 122, 123, 124 and 133 along with interest, when General Fund revenues become available.
4. Authorize an additional 2012/13 mid-year budget adjustment to decrease appropriations in Fund 124 by \$5,231,152.
5. Direct staff to delete the non-safety position of WEFIT Program Coordinator.

SUPPORT (20)

Joseph Aguirre, Placentia
Angelica Amezcua, Alternate, Santa Ana
Rick Barnett, Villa Park
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Warren Kusumoto, Los Alamitos
Kathryn McCullough, Lake Forest
Gordon Shanks, Alternate, Seal Beach
Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo

John Taylor, Alternate, San Juan Capistrano
Bob Baker, San Clemente
Dore Gilbert, Alternate, Laguna Hills
Eugene Hernandez, Yorba Linda
Trish Kelley, Mission Viejo
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
David Shawver, Stanton
Tri Ta, Westminster
Steven Weinberg, Dana Point

OPPOSED (2)

Gerard Goedhart, La Palma

Todd Spitzer, County of Orange

ABSTAINED (0)

None

ABSENT (7)

Sam Allevato, San Juan Capistrano
Randal Bressette, Laguna Hills
Jeffrey Lalloway, Irvine
Sal Tinajero, Santa Ana

Pat Bates, County of Orange
Carol Gamble, Rancho Santa Margarita
David Sloan, Seal Beach

Director Ta left at this point (9:12 p.m.)

8. Updated Cost Reimbursement Rates and Methodologies (F: 15.12)

Assistant Chief Lori Zeller introduced Finance Manager/Auditor Jim Ruane who provided an overview of the updated cost reimbursement rates and methodologies.

Chair Kelley opened the Public Hearing for comments. Chair Kelley closed the Public Hearing without any comments.

On motion of Vice Chair Weinberg and second by Director Amezcua, the Board, by roll call vote, voted to adopt the proposed Cost Reimbursement Rate schedules effective July 1, 2013.

SUPPORT (20)

Joseph Aguirre, Placentia
Angelica Amezcua, Alternate, Santa Ana
Dore Gilbert, Alternate, Laguna Hills
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Warren Kusumoto, Los Alamitos
Kathryn McCullough, Lake Forest
Gordon Shanks, Alternate, Seal Beach
Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo

John Taylor, Alternate, San Juan Capistrano
Bob Baker, San Clemente
Gerard Goedhart, La Palma
Eugene Hernandez, Yorba Linda
Trish Kelley, Mission Viejo
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
David Shawver, Stanton
Todd Spitzer, County of Orange
Steven Weinberg, Dana Point

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OPPOSED (0)

None

ABSTAINED (1)

Rick Barnett, Villa Park

ABSENT (8)

Sam Allevato, San Juan Capistrano

Randal Bressette, Laguna Hills

Jeffrey Lalloway, Irvine

Tri Ta, Westminster

Pat Bates, County of Orange

Carol Gamble, Rancho Santa Margarita

David Sloan, Seal Beach

Sal Tinajero, Santa Ana

9. Approval of the Updated OCFA Advanced Life Support (ALS) Paramedic and Basic Life Support (BLS) Medical Supplies Reimbursement Rates (F: 15.12)

Assistant Chief Lori Zeller introduced Finance Manager/Auditor Jim Ruane who provided an overview of the updated OCFA Advanced Life Support (ALS) Paramedic and Basic Life Support (BLS) Medical Supplies Reimbursement Rates.

Chair Kelley opened the Public Hearing for comments. Chair Kelley closed the Public Hearing without any comments.

On motion of Director Shawver and second by Vice Chair Weinberg, the Board, by roll call vote, voted to authorize staff to increase OCFA's Advanced Life Support (ALS) and Basic Life Support (BLS) Medical Supply reimbursement rates by the same percentage increase effective on or after May 24, 2013, upon approval of the proposed increase to the maximum BLS emergency 9-1-1 transportation billing rate by the Orange County Board of Supervisors.

SUPPORT (16)

Joseph Aguirre, Placentia

Bob Baker, San Clemente

Dore Gilbert, Alternate, Laguna Hills

Robert Johnson, Cypress

Warren Kusumoto, Los Alamitos

Kathryn McCullough, Lake Forest

Gordon Shanks, Alternate, Seal Beach

Elizabeth Swift, Buena Park

Angelica Amezcua, Alternate, Santa Ana

Rick Barnett, Villa Park

Noel Hatch, Laguna Woods

Trish Kelley, Mission Viejo

Jerry McCloskey, Laguna Niguel

Al Murray, Tustin

David Shawver, Stanton

Steven Weinberg, Dana Point

OPPOSED (5)

Gerard Goedhart, La Palma

Todd Spitzer, County of Orange

Phillip Tsunoda, Aliso Viejo

Eugene Hernandez, Yorba Linda

John Taylor, Alternate, San Juan Capistrano

ABSTAINED (0)

None

Minutes

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ABSENT (8)

Sam Allevato, San Juan Capistrano
Randal Bressette, Laguna Hills
Jeffrey Lalloway, Irvine
Tri Ta, Westminster

Pat Bates, County of Orange
Carol Gamble, Rancho Santa Margarita
David Sloan, Seal Beach
Sal Tinajero, Santa Ana

DISCUSSION CALENDAR

10. Review of Proposed Emergency Services Consulting, Inc. (ESCi) Scope of Work for the City of Irvine (F: 18.13A)

Assistant Chief Lori Zeller provided an overview of the proposed Emergency Services Consulting, Inc. (ESCi) Scope of Work for the City of Irvine.

On motion of Director Murray and second by Vice Chair Weinberg, the Board, by roll call vote, voted to approve the request for OCFA to waive conflict of interest.

SUPPORT (19)

Joseph Aguirre, Placentia
Bob Baker, San Clemente
Dore Gilbert, Alternate, Laguna Hills
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Warren Kusumoto, Los Alamitos
Kathryn McCullough, Lake Forest
Gordon Shanks, Alternate, Seal Beach
Todd Spitzer, County of Orange
Steven Weinberg, Dana Point

John Taylor, Alternate, San Juan Capistrano
Rick Barnett, Villa Park
Gerard Goedhart, La Palma
Eugene Hernandez, Yorba Linda
Trish Kelley, Mission Viejo
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo

OPPOSED (1)

David Shawver, Stanton

ABSTAINED (0)

None

ABSENT (9)

Sam Allevato, San Juan Capistrano
Pat Bates, County of Orange
Carol Gamble, Rancho Santa Margarita
David Sloan, Seal Beach
Sal Tinajero, Santa Ana

Angelica Amezcua, Alternate, Santa Ana
Randal Bressette, Laguna Hills
Jeffrey Lalloway, Irvine
Tri Ta, Westminster

REPORTS

11. Chief's Report (F: 11.14) (X: 17.10F)

Chief Richter thanked Senior Accountant Dennis Sorensen for his many years service to the OCFA, and indicated he hoped Dennis would continue his work by volunteering on the OCFA Fire Corps.

BOARD MEMBER COMMENTS (F: 11.13)

Director Murray indicated the Tustin City Council presented a proclamation to Fire Chief Richter at its May 21, 2013, Council meeting recognizing his achievement of 2013 Metropolitan Fire Chief of the Year Award from the Metropolitan Fire Chief Association, and indicated the Council was very proud of him. He also thanked retiring staff member Dennis Sorensen for his many years of service.

Director Shanks indicated the City of Seal Beach honored four OCFA staff members, Seal Beach Police Officers, and lifeguards at a luncheon on May 21, 2013, to recognize their heroic actions during the Salon Montage incident. He commended the firefighters for doing a superb job during a major emergency.

Director McCullough reminded the public to please be safe during the upcoming Memorial Day holiday, and indicated it was a day for the remembrance of those deceased military members and their families. She also indicated the poppies being provided at the meeting are in remembrance of these service members, and encouraged everyone to educate their youths.

Director Hernandez reported that with the help of the Police Department and OCFA, the City of Yorba Linda was able to escort the 43rd Annual POW Vietnam caravan to the Richard Nixon Library, and indicated it was a very moving event. He encouraged everyone to attend the three-day POW event at the library.

Chair Kelley reported she, along with Assistant Chief Brian Stephens, Division Chief Bryan Brice, and Legislative Analyst/Grants Administrator Jay Barkman, travelled to Washington D.C. to meet with Legislators regarding fully funding the National Urban Search and Rescue Program. She indicated they met with fifteen Legislative offices, and commended OCFA staff for their hard work in trying to secure funding.

CONTINUED 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 CS1, Conference with Labor Negotiator and CS2, Conference with Legal Counsel-Anticipated Litigation.

Chair Kelley recessed the meeting to Closed Session at 9:50 p.m.

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OCFA Board of Directors Regular Meeting

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CS1. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiator: Zenovy Jakymiw, Director of Human Resources

Employee Organizations: Orange County Professional Firefighters' Association,
Local 3631, Orange County Fire Authority Chief
Officers' Association, and Orange County Employees'
Association, and all unrepresented employees.

Authority: Government Code Section 54957.6

CS2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Authority: Exposure to Litigation pursuant to Government Code Section 54956.9(b)
(2 cases)

Chair Kelley reconvened the meeting at 10:43 p.m.

CLOSED SESSION REPORT (F: 11.15)

General Counsel David Kendig indicated the Board directed legal counsel to seek restitution for emergency rescue services provided by the Orange County Fire Authority in the pending criminal proceedings against Nicolas Cendoya.

ADJOURNMENT - Chair Kelley adjourned the meeting at 10:45 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for July 25, 2013, 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, June 27, 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 special meeting of the Orange County Fire Authority Board of Directors was called to order on June 27, 2013, at 6:33 p.m. by Chair Trish Kelley.

INVOCATION

Chaplain Ken Krikac offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present:	Joseph Aguirre, Placentia	Sam Allevato, San Juan Capistrano
	Bob Baker, San Clemente	Rick Barnett, Villa Park
	Randal Bressette, Laguna Hills	Carol Gamble, Rancho Santa Margarita
	Gerard Goedhart, La Palma	Noel Hatch, Laguna Woods
	Robert Johnson, Cypress	Trish Kelley, Mission Viejo
	Warren Kusumoto, Los Alamitos	Jerry McCloskey, Laguna Niguel
	Kathryn McCullough, Lake Forest	Al Murray, Tustin
	Janet Nguyen, Alternate, County of Orange	David Shawver, Stanton
	David Sloan, Seal Beach	Todd Spitzer, County of Orange
	Elizabeth Swift, Buena Park	Tri Ta, Westminster
	Phillip Tsunoda, Aliso Viejo	Steven Weinberg, Dana Point

Absent:	Pat Bates, County of Orange	Eugene Hernandez, Yorba Linda
	Jeffrey Lalloway, Irvine	Sal Tinajero, Santa Ana

Also present were:

Fire Chief Keith Richter	General Counsel Dave Kendig
Deputy Chief Craig Kinoshita	Assistant Chief Laura Blaul
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 Director Murray and second by Vice Chair Weinberg, the Board voted unanimously to approve the request as submitted, and make the presentation.

- A. Chair Kelley and Fire Chief Richter presented a Certificate of Recognition and token of appreciation to Robert Barnhart, Director of Safety and Facilities of the Irvine Unified School District, and congratulated him on his retirement after 40 years of services. (F: 11.09B)

PUBLIC COMMENTS (F: 11.11)

Chair Kelley opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, provided public comments on his objection to the contract awards for fire engines, and indicated a protest letter was not disclosed.

Chair Kelley 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-Anticipated Litigation.

Chair Kelley recessed the meeting to Closed Session at 6:46 p.m.

Director Tsunoda arrived at this point (7:00 p.m.)

- CS1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Authority: Exposure to Litigation pursuant to Government Code Section 54956.9(b)
(1 case)

Chair Kelley reconvened the meeting at 8:25 p.m., with Director Nguyen absent.

CLOSED SESSION REPORT (F: 11.15)

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

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

Budget and Finance Committee Chair Al Murray reported at the June 12, 2013, meeting of the Budget and Finance Committee, the Committee discussed and voted unanimously to send the Annual Workers' Compensation Update and Actuarial Report for CY 2012 to the Board of Directors with the recommendation that the Board approve the item. He also reported the Committee received a status update on the Orange County Employees' Retirement System, and requested staff provide a monthly report.

MINUTES

No items.

CONSENT CALENDAR

2. FY 2012/13 Mid-Year Budget Adjustment (F: 15.04 12/13)

On motion of Director Bressette and second by Director Spitzer, the Board voted unanimously to authorize the proposed mid-year budget adjustment in the General Fund (Fund 121) including an increase of \$1,760,000 in revenue and an increase of \$1,760,000 in appropriations.

DISCUSSION CALENDAR

3. June Legislative Reports (F: 11.10F1)

Legislative Analyst/Grants Administrator Jay Barkman provided a report on recommended legislative positions, and indicated the OCFA has been asked to support legislation seeking restitution for emergency responders when criminal acts have been committed.

On motion of Vice Chair Weinberg and second by Director Bressette, the Board, by roll call vote, voted to approve recommended legislative positions.

SUPPORT (21)

Joseph Aguirre, Placentia	Sam Allevato, San Juan Capistrano
Bob Baker, San Clemente	Rick Barnett, Villa Park
Randal Bressette, Laguna Hills	Carol Gamble, Rancho Santa Margarita
Gerard Goedhart, La Palma	Noel Hatch, Laguna Woods
Robert Johnson, Cypress	Trish Kelley, Mission Viejo
Warren Kusumoto, Los Alamitos	Jerry McCloskey, Laguna Niguel
Kathryn McCullough, Lake Forest	Al Murray, Tustin
David Shawver, Stanton	David Sloan, Seal Beach
Todd Spitzer, County of Orange	Elizabeth Swift, Buena Park
Tri Ta, Westminster	Phillip Tsunoda, Aliso Viejo
Steven Weinberg, Dana Point	

Minutes

OCFA Board of Directors Special Meeting

June 27, 2013 Page - 3

OPPOSED (0)

None

ABSTAINED (0)

None

ABSENT (5)

Pat Bates, County of Orange
Jeffrey Lalloway, Irvine
Sal Tinajero, Santa Ana

Eugene Hernandez, Yorba Linda
Janet Nguyen, Alternate, County of Orange

4. Refunds for Unverified Hazardous Materials Disclosure Inspections (F: 18.11A2)

Fire Chief Richter provided an overview of the refunds for unverified hazardous materials disclosure inspections, and introduced Deputy Chief Kinoshita who provided a detailed PowerPoint presentation on the process for determining refunds.

Public comments were received from Stephen Wontrobski, Mission Viejo resident, in opposition to the length of time for the audit.

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

1. Direct staff to issue refunds to businesses that were billed for hazardous materials disclosure inspections for FY 2005/06 through 2011/12, the performance of which could not be verified during the audit of inspection records.
2. Direct staff to circulate notice to the affected businesses of the availability of a refund to enable those businesses to claim their refunds.
3. Direct staff to make the necessary budget adjustments.
4. Direct the Fire Chief and General Counsel to continue to cooperate with the District Attorney (DA) and, upon conclusion of the DA investigation, review the findings, and conduct a thorough administrative review, and report back to the Board.

SUPPORT (21)

Joseph Aguirre, Placentia
Bob Baker, San Clemente
Randal Bressette, Laguna Hills
Gerard Goedhart, La Palma
Robert Johnson, Cypress
Warren Kusumoto, Los Alamitos
Kathryn McCullough, Lake Forest
David Shawver, Stanton
Todd Spitzer, County of Orange
Tri Ta, Westminster
Steven Weinberg, Dana Point

Sam Allevato, San Juan Capistrano
Rick Barnett, Villa Park
Carol Gamble, Rancho Santa Margarita
Noel Hatch, Laguna Woods
Trish Kelley, Mission Viejo
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
David Sloan, Seal Beach
Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo

OPPOSED (0)
None

ABSTAINED (0)
None

ABSENT (5)
Pat Bates, County of Orange
Jeffrey Lalloway, Irvine
Sal Tinajero, Santa Ana
Eugene Hernandez, Yorba Linda
Janet Nguyen, Alternate, County of Orange

REPORTS

Directors Ta and Tsunoda left at this point (9:13 p.m.)

5. Chief's Report (F: 11.14)

Chief Richter reported Human Resources Director Zenovy Jakymiw would be retiring on July 5, 2013, and thanked him for his many years of service. He also reported the Federal Emergency Management Agency provided its administrative review of CA-TF5, and indicated staff met 95% of the criteria in three categories. Chief Richter thanked US&R staff for their excellent review.

BOARD MEMBER COMMENTS (F: 11.13)

Director Murray commended Investigation staff for the Arson Abatement Program. He indicated he participated in the Battalion Chief testing process and indicated there were many qualified candidates. Director Murray also indicated the Budget and Finance Committee would be interested in reviewing future billing practices.

Director Shawver thanked Assistant Chief Zeller for providing an OCERS update to Board members, and encouraged Director participation in the process.

Director McCullough wished everyone a safe 4th of July.

Chair Kelley reminded Board members to complete the upcoming Chief's evaluation. She also indicated she attended a mock DUI assembly at Capistrano High School, and commended Fire Captain Steve Concialdi for providing the program. Chair Kelley also commended OCFA staff for presenting a program on water safety at the Irvine Aquatic Center.

ADJOURNMENT - Chair Kelley adjourned the meeting at 9:33 p.m. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for July 25, 2013, at 6:30 p.m.

CONSENT CALENDAR - AGENDA ITEM NO. 3
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer

SUBJECT: **Monthly Investment Reports**

Summary:

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

Committee Action:

At its July 10, 2013, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action:

Receive and file the reports.

Background:

Attached is the final monthly investment report for the month ended May 31, 2013. A preliminary investment report as of June 21, 2013, is also provided as the most complete report that was available at the time this agenda item was prepared.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

Patricia Jakubiak, Treasurer

Triciajakubiak@ocfa.org

(714) 573-6301

Attachment:

Final Investment Report – May 2013/Preliminary Report – June 2013

Orange County Fire Authority Monthly Investment Report



Final Report – May 2013

Preliminary Report – June 2013



Monthly Investment Report Table of Contents

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Orange County Fire Authority

Final Investment Report

May 31, 2013



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of May 2013, the size of the portfolio decreased from \$161.6 million to \$157.5 million. Major receipts for the month included apportionments of property taxes for a total of \$3.2 million and various intergovernmental contract and grants payments totaling \$9.1 million. In addition, significant receipts for the month also included a cash contract payment for \$2.9 million. Significant disbursements for the month included primarily biweekly payrolls. The portfolio's balance is expected to decrease in the following month as there are no major receipts scheduled for June.

In May, the portfolio's yield to maturity (365-day equivalent) remained the same as in the prior month at 0.28%. The effective rate of return decreased by 7 basis points to 0.29% for the month, but stayed unchanged at 0.32% for the fiscal year to date. The average maturity of the portfolio shortened by 15 days to 292 days to maturity.

Economic News

The U.S. economic activity continued to improve moderately in May 2013; however, overall activity remained mixed. Employment conditions continued to show improvement in May. There were a total of 175,000 new jobs created for the month, a slightly better employment report than expected. Unemployment conditions, on the other hand, worsened slightly edging to 7.6% from 7.5% previously. Both the Conference Board Consumer Confidence Index and the University of Michigan Consumer Sentiment Index increased better than expected for the month. Durable goods orders and retail sales also came in better than expected. Housing activity continued improving, and the NFIB (National Federation of Independent Business) small business optimism index rose slightly further in May. While the non-manufacturing activity increased modestly in May, the manufacturing sector continued declining, pushing it into a contraction territory. Industrial production stayed unchanged. Energy and food prices reversed the recent trend and increased in May, although the CPI (Consumer Price Index) remained contained. On June 19, 2013, at the second day of its scheduled meeting, the FOMC (Federal Open Market Committee) voted to keep the federal funds rate unchanged at a target range of 0-0.25%. The Committee's outlook on the economy was slightly further upgraded. It also reiterated its commitment to be "flexible" with respect to the QE (Quantitative Easing) asset purchasing program.



BENCHMARK COMPARISON AS OF MAY 31, 2013

<i>3 Month T-Bill:</i> 0.04%	<i>1 Year T-Bill:</i> 0.12%
<i>6 Month T-Bill:</i> 0.08%	<i>LAIF:</i> 0.25%
<i>OCFA Portfolio:</i> 0.29%	

PORTFOLIO SIZE, YIELD, & DURATION

	<u><i>Current Month</i></u>	<u><i>Prior Month</i></u>	<u><i>Prior Year</i></u>
<i>Book Value-</i>	\$157,466,893	\$161,624,303	\$147,754,606
<i>Yield to Maturity (365 day)</i>	0.28%	0.28%	0.62%
<i>Effective Rate of Return</i>	0.29%	0.36%	0.46%
<i>Days to Maturity</i>	292	307	754



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

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	12,397,092.26	12,397,092.26	12,397,092.26	7.83	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,000,000.00	8,995,140.00	8,996,175.00	5.68	127	90	0.170	0.172
Federal Agency Coupon Securities	51,000,000.00	50,795,040.00	51,004,762.71	32.20	1,269	834	0.557	0.565
Federal Agency Disc. -Amortizing	36,000,000.00	35,996,130.00	35,994,600.00	22.72	116	79	0.060	0.061
Local Agency Investment Funds	50,000,000.00	50,050,930.00	50,000,000.00	31.57	1	1	0.242	0.245
Investments	158,397,092.26	158,234,332.26	158,392,629.97	100.00%	443	292	0.279	0.283
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	(See Note 4 on page 9) -1,011,375.81	-1,011,375.81	-1,011,375.81		0	0	0.000	0.000
Accrued Interest at Purchase		1,553.33	1,553.33					
Subtotal		-1,009,822.48	-1,009,822.48					
Total Cash and Investments	157,385,716.45	157,224,509.78	157,382,807.49		443	292	0.279	0.283

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	39,019.10	352,443.04
Average Daily Balance	157,410,229.26	121,847,846.37
Effective Rate of Return	0.29%	0.32%

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

Patricia Jakubiak
 Patricia Jakubiak, Treasurer 4/7/13

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 157,382,807.49
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 84,085.98
Total	\$ 157,466,893.47

Page 4

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

(See Note 1 on page 9) (See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
(See Note 4 on page 9)											
SYS528	528	High Mark 100% US Treasury MMF			12,397,092.26	12,397,092.26	12,397,092.26	0.001	0.001	1	
Subtotal and Average			6,416,411.30		12,397,092.26	12,397,092.26	12,397,092.26		0.001	1	
Commercial Paper Disc. -Amortizing											
36959HVW4	806	GEN ELEC CAP CRP		04/25/2013	9,000,000.00	8,995,140.00	8,996,175.00	0.170	0.172	90	08/30/2013
Subtotal and Average			8,995,537.50		9,000,000.00	8,995,140.00	8,996,175.00		0.172	90	
Federal Agency Coupon Securities											
3133ECBT0	799	Federal Farm Credit Bank (Callable anytime)		12/26/2012	9,000,000.00	8,997,030.00	9,000,000.00	0.375	0.375	755	06/26/2015
3133ECM76	809	Federal Farm Credit Bank (Callable 7/22/13)		04/25/2013	9,000,000.00	8,955,540.00	8,993,910.58	0.400	0.424	1,056	04/22/2016
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	5,921,400.00	6,000,000.00	1.000	0.981	1,530	08/09/2017
313380B22	788	Fed Home Loan Bank (Callable anytime)		08/20/2012	6,000,000.00	6,000,120.00	6,000,000.00	0.450	0.440	810	08/20/2015
3133813R4	800	Fed Home Loan Bank (Callable 6/9/13)		12/20/2012	9,000,000.00	8,945,190.00	9,013,081.98	1.000	0.818	8	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable 6/7/13)		03/15/2013	12,000,000.00	11,975,760.00	11,997,770.15	0.470	0.477	1,010	03/07/2016
Subtotal and Average			51,004,764.09		51,000,000.00	50,795,040.00	51,004,762.71		0.565	834	
Federal Agency Disc. -Amortizing											
313589MV2	808	Fed Natl Mortg Assoc		04/25/2013	9,000,000.00	8,998,020.00	8,997,360.00	0.080	0.081	132	10/11/2013
313397LR0	807	Freddie Mac		04/25/2013	9,000,000.00	8,998,740.00	8,998,180.00	0.070	0.071	104	09/13/2013
313385HT6	804	Fed Home Loan Bank		04/25/2013	9,000,000.00	8,999,730.00	8,999,660.00	0.040	0.041	34	07/05/2013
313385JH0	805	Fed Home Loan Bank		04/25/2013	9,000,000.00	8,999,640.00	8,999,400.00	0.050	0.051	48	07/19/2013
Subtotal and Average			42,670,935.73		36,000,000.00	35,996,130.00	35,994,600.00		0.061	79	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			50,000,000.00	50,050,930.00	50,000,000.00	0.245	0.245	1	
Subtotal and Average			48,322,580.65		50,000,000.00	50,050,930.00	50,000,000.00		0.245	1	
Total and Average			157,410,229.26		158,397,092.26	158,234,332.26	158,392,629.97		0.283	292	

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10104	10104	American Benefit Plan Admin		07/01/2012	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2012	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2012	-1,296,375.81	-1,296,375.81	-1,296,375.81	(See Note 4 on page 9)	0.000	1
SYS361	361	YORK		07/01/2012	250,000.00	250,000.00	250,000.00		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		1,553.33	1,553.33			0
				Subtotal		-1,009,822.48	-1,009,822.48			
Total Cash and Investments			157,410,229.26		157,385,716.45	157,224,509.78	157,382,807.49		0.283	292

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

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(06/01/2013 - 06/01/2013)	6 Maturities	0 Payments	61,385,716.45	39.00%	61,385,716.45	61,436,646.45
Aging Interval:	1 - 30 days	(06/02/2013 - 07/01/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	31 - 60 days	(07/02/2013 - 07/31/2013)	2 Maturities	0 Payments	18,000,000.00	11.44%	17,999,060.00	17,999,370.00
Aging Interval:	61 - 91 days	(08/01/2013 - 08/31/2013)	1 Maturities	0 Payments	9,000,000.00	5.72%	8,996,175.00	8,995,140.00
Aging Interval:	92 - 121 days	(09/01/2013 - 09/30/2013)	1 Maturities	0 Payments	9,000,000.00	5.72%	8,998,180.00	8,998,740.00
Aging Interval:	122 - 152 days	(10/01/2013 - 10/31/2013)	1 Maturities	0 Payments	9,000,000.00	5.72%	8,997,360.00	8,998,020.00
Aging Interval:	153 - 183 days	(11/01/2013 - 12/01/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(12/02/2013 - 03/02/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(03/03/2014 - 06/01/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(06/02/2014 - 05/31/2016)	4 Maturities	0 Payments	36,000,000.00	22.87%	35,991,680.73	35,928,450.00
Aging Interval:	1096 - 1825 days	(06/01/2016 - 05/31/2018)	2 Maturities	0 Payments	15,000,000.00	9.53%	15,013,081.98	14,866,590.00
Aging Interval:	1826 days and after	(06/01/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			17 Investments	0 Payments		100.00	157,381,254.16	157,222,956.45



NOTES TO PORTFOLIO MANAGEMENT REPORT

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



Local Agency Investment Fund (LAIF)

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

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



Orange County Fire Authority
Preliminary Investment Report
June 21, 2013



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
June 21, 2013

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

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	2,767,101.74	2,767,101.74	2,767,101.74	1.87	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	9,000,000.00	8,996,670.00	8,997,067.50	6.09	127	69	0.170	0.172
Federal Agency Coupon Securities	51,000,000.00	50,492,760.00	51,004,760.65	34.52	1,269	818	0.557	0.565
Federal Agency Disc. -Amortizing	36,000,000.00	35,997,120.00	35,995,860.00	24.36	116	58	0.060	0.061
Local Agency Investment Funds	49,000,000.00	49,049,911.40	49,000,000.00	33.16	1	1	0.242	0.245
Investments	147,767,101.74	147,303,563.14	147,764,789.89	100.00%	474	301	0.297	0.301
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	871,702.27	871,702.27	871,702.27		1	1	0.000	0.000
Accrued Interest at Purchase		1,553.33	1,553.33					
Subtotal		873,255.60	873,255.60					
Total Cash and Investments	148,638,804.01	148,176,818.74	148,638,045.49		474	301	0.297	0.301

Total Earnings	June 21 Month Ending	Fiscal Year To Date
Current Year	26,879.91	379,322.95
Average Daily Balance	155,386,135.33	123,826,228.59
Effective Rate of Return	0.30%	0.31%

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

Patricia Jakubiak
 Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 148,638,045.49
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 84,085.98
Total	\$ 148,722,131.47

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
June 21, 2013

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYSS28	528	High Mark 100% US Treasury MMF			2,767,101.74	2,767,101.74	2,767,101.74	0.001	0.001	1	
Subtotal and Average			9,437,090.25		2,767,101.74	2,767,101.74	2,767,101.74		0.001	1	
Commercial Paper Disc. -Amortizing											
36959HVW4	806	GEN ELEC CAP CRP		04/25/2013	9,000,000.00	8,996,670.00	8,997,067.50	0.170	0.172	69	08/30/2013
Subtotal and Average			8,996,642.50		9,000,000.00	8,996,670.00	8,997,067.50		0.172	69	
Federal Agency Coupon Securities											
3133ECBT0	799	Federal Farm Credit Bank (Callable anytime)		12/26/2012	9,000,000.00	8,983,530.00	9,000,000.00	0.375	0.375	734	06/26/2015
3133ECM76	809	Federal Farm Credit Bank (Callable 7/22/13)		04/25/2013	9,000,000.00	8,909,100.00	8,994,033.43	0.400	0.424	1,035	04/22/2016
3133804V6	787	Fed Home Loan Bank (Callable anytime)		08/09/2012	6,000,000.00	5,851,740.00	6,000,000.00	1.000	0.981	1,509	08/08/2017
313380B22	788	Fed Home Loan Bank (Callable anytime)		08/20/2012	6,000,000.00	5,993,640.00	6,000,000.00	0.450	0.440	789	08/20/2015
3133813R4	800	Fed Home Loan Bank (Callable 7/9/13)		12/20/2012	9,000,000.00	8,828,550.00	9,012,910.06	1.000	0.818	17	11/09/2017
313382DC4	803	Fed Home Loan Bank (Callable anytime)		03/15/2013	12,000,000.00	11,926,200.00	11,997,817.16	0.470	0.477	989	03/07/2016
Subtotal and Average			51,004,761.63		51,000,000.00	50,492,760.00	51,004,760.65		0.565	818	
Federal Agency Disc. -Amortizing											
313589MV2	808	Fed Natl Mortg Assoc		04/25/2013	9,000,000.00	8,996,380.00	8,997,780.00	0.080	0.081	111	10/11/2013
313397LR0	807	Freddie Mac		04/25/2013	9,000,000.00	8,999,010.00	8,998,547.50	0.070	0.071	83	09/13/2013
313385HT6	804	Fed Home Loan Bank		04/25/2013	9,000,000.00	8,999,910.00	8,999,870.00	0.040	0.041	13	07/05/2013
313385JH0	805	Fed Home Loan Bank		04/25/2013	9,000,000.00	8,999,820.00	8,999,862.50	0.050	0.051	27	07/19/2013
Subtotal and Average			35,995,260.00		36,000,000.00	35,997,120.00	35,995,860.00		0.061	58	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmnt Fund			49,000,000.00	49,049,911.40	49,000,000.00	0.245	0.245	1	
Subtotal and Average			49,952,380.95		49,000,000.00	49,049,911.40	49,000,000.00		0.245	1	
Total and Average			155,386,135.33		147,767,101.74	147,303,563.14	147,764,789.89		0.301	301	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
June 21, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10104	10104	American Benefit Plan Admin		07/01/2012	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2012	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2012	586,702.27	586,702.27	586,702.27		0.000	1
SYS361	361	YORK		07/01/2012	250,000.00	250,000.00	250,000.00		0.000	1
		Average Balance	0.00	Accrued Interest at Purchase		1,553.33	1,553.33			1
				Subtotal		873,255.60	873,255.60			
		Total Cash and Investments	155,386,135.33		148,638,804.01	148,176,818.74	148,638,045.49		0.301	301

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**ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of June 22, 2013**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(06/22/2013 - 06/22/2013)	6 Maturities	0 Payments	52,638,804.01	35.41%	52,638,804.01	52,688,715.41
Aging Interval:	1 - 30 days	(06/23/2013 - 07/22/2013)	2 Maturities	0 Payments	18,000,000.00	12.11%	17,999,532.50	17,999,730.00
Aging Interval:	31 - 60 days	(07/23/2013 - 08/21/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	61 - 91 days	(08/22/2013 - 09/21/2013)	2 Maturities	0 Payments	18,000,000.00	12.11%	17,995,615.00	17,995,680.00
Aging Interval:	92 - 121 days	(09/22/2013 - 10/21/2013)	1 Maturities	0 Payments	9,000,000.00	6.05%	8,997,780.00	8,998,380.00
Aging Interval:	122 - 152 days	(10/22/2013 - 11/21/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(11/22/2013 - 12/22/2013)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(12/23/2013 - 03/23/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(03/24/2014 - 06/22/2014)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(06/23/2014 - 06/21/2016)	4 Maturities	0 Payments	36,000,000.00	24.22%	35,991,850.59	35,812,470.00
Aging Interval:	1096 - 1825 days	(06/22/2016 - 06/21/2018)	2 Maturities	0 Payments	15,000,000.00	10.09%	15,012,910.06	14,680,290.00
Aging Interval:	1826 days and after	(06/22/2018 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			17 Investments	0 Payments		100.00	148,636,492.16	148,175,265.41



NOTES TO PORTFOLIO MANAGEMENT REPORT

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

CONSENT CALENDAR - AGENDA ITEM NO. 4
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Internal Control Review on Billing and Revenue Recognition of Fire Prevention Fees**

Summary:

This agenda item is submitted to present the independent accountants' Agreed-Upon Procedures report of OCFA's internal control review on Billing and Revenue Recognition of Fire Prevention Fees.

Committee Action:

At its July 10, 2013, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Actions:

1. Direct staff to implement the recommendations as stated in the attached report.
2. Authorize staff to amend the Master Position Control to add a limited term Finance Manager to assist with the implementation of the recommended actions and to assist in strengthening the overall internal control environment surrounding fee-funded programs.
3. Direct staff to increase General Fund (121) appropriations in the FY 2013/14 Adopted Budget by \$100,000 to cover the cost of a temporary and part-time Finance Manager.

Background:

At the March 14, 2012, Budget and Finance Committee meeting, the Committee approved the selection of Lance, Soll & Lunghard, LLP (LSL) as the auditing firm to complete a comprehensive review of OCFA's financial internal controls over the next three years. At the February 13, 2013, and March 13, 2013, Budget and Finance Committee meetings, the Committee approved the scope of work for the first year of the comprehensive internal control review. The scope included the following areas:

1. Revenue Recognition - Fire Prevention Fees
2. Procurement/Disbursement Practices Relating to Cal Cards (credit cards), Travel-Related Activities, and Fuel Usage
3. Purchasing/Procurement Review

Review of Internal Controls on Billing and Revenue Recognition of Fire Prevention Fees

LSL conducted test work for the review of Billing and Revenue Recognition of Fire Prevention Fees in March 2013. Upon completion of its test work, LSL compiled a report of findings and submitted it to the OCFA for preparation of management responses. A copy of the report along with OCFA's management responses is attached.

Implementation of the Proposed Recommendations

Since the proposed recommendations include implementation of changes to our workflow and business practices, LSL recommends OCFA consider obtaining the expertise of a specialist to help implement the changes. Staff recommends obtaining the professional services of a Finance Manager classification to help implement the proposed recommended actions. The position will be structured as temporary and part-time, with an estimated duration of six-months to one-year. Depending on the number of hours that are ultimately committed to the assignment, the cost is estimated between \$70,000 -\$140,000.

Status on the Other Two Internal Control Review Areas

The audit test work for the Procurement/Disbursements Practices Relating to Cal Cards (credit cards), Travel-Related Activities, and Fuel Usage and the Purchasing/Procurement Reviews have been completed. The independent audit reports and associated management responses for these two reviews are currently being completed, and the results will be presented at the August 14, 2013, Budget and Finance Committee Meeting.

Impact to Cities/County:

Strengthening internal controls surrounding fee-funded programs will improve accountability to our member agencies and the citizens/businesses served by the OCFA.

Fiscal Impact:

A \$100,000 increase is requested to General Fund (121) appropriations in the FY 2013/14 Adopted Budget to cover the cost of a temporary and part-time Finance Manager to assist in building a stronger internal control environment surrounding fee-funded programs.

Independent Auditor (Lance, Soll & Lunghard, LLP) Contact for Further Information:

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

Attachment:

Agreed-Upon Procedures Review on Billing and Revenue Recognition of Fire Prevention Fees with OCFA responses



ORANGE COUNTY FIRE AUTHORITY

**Independent Accountant's Report on Applying
Agreed-Upon Procedures on Billing and Revenue
Recognition**

March 29, 2013

Lance Soll & Lunghard, LLP

Orange County
Silicon Valley
Temecula Valley

www.lslcpas.com

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jim Ruane, Finance Manager / Auditor
Orange County Fire Authority
Irvine, California

We have performed the procedures enumerated in the Billing and Revenue Recognition section below, which were agreed to by the Orange County Fire Authority, solely to assist you with respects to the billing and revenue recognition, recordkeeping and retention, reporting and reconciling practices of the Orange County Fire Authority's Fire Prevention Department ("Fire Prevention"). The agreed-upon period, in which was examined, was from July 1, 2011 to March 19, 2013. Orange County Fire Authority's management is responsible for the policies and procedures of the Fire Prevention Department. We have also performed a review of Fire Prevention's control structure as outlined in the Internal Control section below; which was agreed to by the Orange County Fire Authority, solely to assist the organization in evaluating its internal control structure applicable to the *Committee of Sponsoring Organizations (COSO)* internal control framework.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Orange County Fire Authority. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

BILLING AND REVENUE RECOGNITION

Front Counter Procedures

1. We obtained copies of policies and procedures and conducted interviews of fire prevention personnel to gain an understanding of responsibilities and processes surrounding the intake of service request for fire prevention plan reviews for new construction; and to ensure that the appropriate number of staff members and levels of authority exist to support an appropriate control environment.

Observation: While the department has the appropriate number of staff in place and appropriate levels of authority to support an appropriate control environment; during our observation we noted that an individual was not charged with supervising the daily activities of front counter staff. This is due to the front counter Management Assistant (MA) position being vacant.

Evaluation: A daily review of inputted information into the operational control database is essential to sustaining the integrity and validity of information entered into the application. In addition, having a second level of review provides a key control in monitoring, and ensuring that objectives are being met on a daily basis.



Jim Ruane, Finance Manager / Auditor
Orange County Fire Authority
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Recommendation: We recommend that in lieu of fulfilling the vacant MA position, daily front counter operations are supervised by the Deputy Fire Marshal (DFM), or an individual designated by the DFM and completely separate from the daily front counter operations. This person should be responsible for ensuring that information entered into Integrated Fire Prevention (IFP) is complete and accurate.

Response: The MA position has been filled through in-house promotion. The new MA is responsible for the daily operations of the Front Counter. In response to the auditors recommendations the Front Counter will now be overseen by an AFM whose primary responsibility will be the integrity and validity of information entered by Front Counter staff. This AFM will be developing a policy outlining the frequency of data reviews.

2. We selected a sample of service request for plan reviews to ensure that information inputted into the IFP program was correct and accurate; reflecting the services needed.

Observation 1: During our observation, it appeared that Service Request (SR) forms for plan reviews were used out of sequence. In addition, it was unclear during our observation if staff were following policies that would require SRs to be used in sequential order, or if an individual had been assigned with ensuring that the daily input of SRs are used in sequential order. We were able to identify that 24% or 1,718 out of 7,235 of the SRs created between July 1, 2011 and March 19, 2013, were missing from the sequence; and there was no evidence to support the reason why the SRs were used out of sequence.

Evaluation: Using SR control numbers in sequential order and having a process to ensure that SRs entered into IFP are in sequential order ensures that all plan reviews have been identified and accounted for. In addition, it is both a preventive and detective control to eliminate the potential risk of errors or fraud through the circumvention of other processes such as plan reviews and inspections. It establishes accountability for the new construction plan review process.

Recommendation: We recommend that on a daily basis, SRs created are reviewed by a staff member outside of the daily front counter intake process. This individual would be responsible for the ordering of SRs; in addition, on a daily basis this individual would review SRs created in IFP and determine if SRs were used and entered in sequential order; investigating any SRs missing or used out of sequence.

Response: Due to current software and logistical limitations, we are not currently able to issue SR's sequentially. Currently each of our partner cities has NCR SR forms at their front counters which are handed out to contractors to fill out. NCR SR forms have unique SR numbers pre-stamped on each form. Additionally, we have several repeat contractors that have multiple projects over multiple areas. For efficiency purposes, these individuals maintain a supply of forms at their offices. Furthermore, it's not uncommon for a mistake to be made during the filling out of an NCR SR forms. The current practice is to discard



mistakes. It's anticipated that the new RMS software will issue SR numbers as they are entered into the system eliminating this problem. Prior to the implementation of the new RMS system, the AFM identified above will be responsible for evaluation of SR information to ensure accuracy and consistency of the data.

Observation 2: During our observation, it appeared that front counter personnel did not follow Fire Prevention's policy on ensuring that project information from SR forms entered into IFP are entered correctly. In addition, due to a staff vacancy, supervision of daily inputs into IFP to ensure the accuracy of information entered into IFP was limited. As a result, there were SR numbers inputted incorrectly into IFP and did not agree with the physical forms. Out of 40 SRs sampled, SRs 1722223, 1809923 and 1824823 did not agree with physical forms.

Evaluation: SRs are control numbers that are used to identify new construction plan reviews, they are used throughout each process and sub-process within the Planning and Development Department. It is essential in ensuring that SRs agree with actual physical documentation. In addition, having a monitoring or review process in place that would detect errors or irregularities to these records.

Recommendation: We recommend that daily starting and ending SRs are reviewed, and agreed to physical documentation, separate from an individual inputting the information into IFP to ensure accuracy and completeness of records.

Response: See Response above.

3. We selected a sample of daily deposits and performed walkthroughs of the payment acceptance process; documenting how payments were inputted and communicated to the Finance Department in an accurate and timely fashion.

Observation: Please refer to procedure 6 below regarding proper segregation of duties.

4. Using the above sample we traced and agreed amounts to the Banner System to ensure that payments were recorded accurately and on a timely basis.

Observation: No observations were noted during the performance of this procedure.

5. We determined, through general observation, how SRs were maintained and retained in relation to the Orange County Fire Authority's Record and Retention Policy.

Observation: During our observation it appeared that certain fields in SR forms were still editable after the SR had been complete and finalized. According to FP's policy, the IFP application should not allow for edits to SRs after the SR had been finalized; IFP program allows for archiving of SRs.

Evaluation: It is vital that information for completed new construction reviews are properly archived in the IFP program to ensure the accuracy on services



that were performed are archived in accordance with the OCFA's record retention policy. New construction plans are required to be kept for a period two years after the completion of the project.

Recommendation: Complete and closed plan reviews should be reviewed by management in regards to archiving records. We recommend management develop a process to ensure that completed SRs are properly archived.

Response: The new AFM responsible for Front Counter oversight and quality control will be responsible to implement a process ensuing that completed SR's are properly archived.

6. Through observations we reviewed the access rights to the IFP program for front counter staff, ensuring that the proper segregation of duties exist surrounding the intake processes.

Observation: Fire Prevention Specialist (FPS) that intake new plan review service requests, also have the ability to accept payments and apply credits to SR records.

Evaluation: To have the proper level of segregation of duties, individuals accepting payments and entering payments into the IFP application should not have access to modify or edit the same information. Lack of such control is an increased risk of misappropriation of assets.

Recommendation: The current procedures need to be revised to prevent individuals who accept and apply the payments into the IFP program from applying adjustments and editing information. All edits and adjustments should be made by separate individuals with the proper oversight from management.

Response: Once plans have been entered by the FPS, they are reviewed by a Fire Prevention Analyst who reviews the information entered by the FPS. If the fee information is erroneous the Analyst will update the information. Once the Analyst approves the plans and the final fees are determined, only a P&D supervisor can change the fee. Policies will be developed that provide for additional oversight and/or approvals whenever payments or credits have been accepted at the Front Counter.

Plan Review

7. Through interviews and observations, we obtained an understanding of the plan review process to ensure there is an appropriate level of staff and delegation of authority on the assignment of plan reviews; as well as the monitoring of plan reviews.

Observation: Plan reviews are conducted by individual Fire Prevention Analysts (FPA) that may have specific development service knowledge. The FPA has the sole authority to approve new plan constructions without any oversight or quality control review. This includes plan reviews performed by FPAs at satellite locations. In addition, FPAs have the ability to change plan review codes without any level of approval.



Evaluation: Lack of a review or approval process on plan reviews increases the potential of plan reviews being conducted inaccurately, and in addition provides for the opportunities of fraud. A FPA has the ability to approve a plan at lower fee rates or circumvent the need for additional plan reviews to be conducted without any oversight.

Recommendation: A quality control process should be implemented where a second level of review or authority is in place over plan reviews, and any adjustments made to plan review SR codes.

Response: Supervisors will be developing plan review quality control procedures that will require supervisor approval before any fees are adjusted by staff.

8. We selected a sample of completed plan reviews to ensure that the plans were completed in a timely manner or at the agreed upon turnaround time.

Observation: No observations were noted during the performance of this procedure.

9. We selected a sample of service review requests between the period of July 1, 2011 and June 30, 2012, to ensure that those plan reviews were completed prior to June 30, 2012.

Observation: No observations were noted during the performance of this procedure.

10. We selected a sample of SR plan reviews and tested the controls surrounding the approval and documentation of change in PR fees.

Observation: Per our observation, it appeared that FPSs, both at the front counter and plan review processes, were not following a policy that would require a second level of oversight or approval for PR fees code in SRs that were reversed or changed, prior to changing the PR fee code in the SR.

Evaluation: Changes to PR fee codes ultimately effects revenue earned on those services and should be limited to individuals separate from the data entry process and that have the proper level of authorization to approve the changes. Having such a level of authority would decrease the potential risks of fraud.

Recommendation: A quality control process should be implemented to ensure all changes or reversals of PR fee codes are properly approved prior to the change in the IFP program.

Response: Supervisors will be developing quality control procedures checking for accuracy of PR codes to plans.

11. Interviewed staff, and performed an observation of the approval process on adjustments such as credits or reversals surrounding plan reviews; and how the information is documented and communicated to the Finance Department.

Observation: Please refer to the pervasive observation at step 10, regarding quality control reviews and segregation of duties, as an observation at this procedure.



Jim Ruane, Finance Manager / Auditor
Orange County Fire Authority
Page 6

12. We selected a sample of SRs with adjustments and compared those amounts to adjustments recorded in Banner to ensure that those adjustments were properly recorded.

Observation: No observations were noted during the performance of this procedure.

Scheduling

13. Through interviews and observation we gained an understanding on how completed plan reviews are scheduled for inspection.

Observation: We noted through discussions with scheduling personnel and management team members, that there are aging SRs that successfully completed all plan reviews and have not been scheduled for inspections due to project contractors not contacting Fire Prevention to schedule the inspections. The largest reason for SRs remaining unscheduled is due to new construction projects being placed on hold and not being completed for the inspections to take place. Through these discussions, it appeared that Fire Prevention does not have a process in place to follow-up on aging plan reviews, to determine if inspection charges need to be refunded to businesses, or if the inspections will actually take place.

Evaluation: Incorporating a pro-active approach in scheduling inspections allow for the Planning and Development Department to tentatively schedule inspections and develop proper revenue projections for those projects. In addition, it provides an extra detective control to mitigate the risk of fraudulent activity.

Recommendation: For open projects that exceed a specific timeframe (i.e. one year), management should consider following up with project contractors on the status of the project and place notes within the IFP program; tracking dates and times contractors were contacted and results of correspondence.

Response: Aging or tracking reports will be developed to track construction projects that have not been completed. Planning and Development will be working with Finance on processes to contact individuals that submitted the plans.

14. We selected a sample of scheduled inspections to ensure that the scheduled inspection was communicated to the assigned inspector in a timely manner.

Observation: No observations were noted during the performance of this procedure.

15. Through inquiry of new construction personnel and observations, we reviewed the policies and procedures surrounding cancelled inspections and plan reviews to ensure cancelled inspections were properly approved by the Assistant Fire Marshal and communicated to the Finance Department accurately and in a timely manner.

Observation: No observations were noted during the performance of this procedure.



New Construction Inspections

16. We performed inquiries of field inspectors and fire marshals regarding processes on assigning inspections and documenting the results of inspections.

Observation: No observations were noted during the performance of this procedure.

17. We performed inquiries of fire marshals regarding the monitoring of field inspections ensuring that all inspections are conducted in a timely manner.

Observation: No observations were noted during the performance of this procedure.

18. We selected a sample of completed new construction inspections and determined if the results of the inspections were properly documented in the IFP program and communicated to contractors in a timely manner.

Observation: No observations were noted during the performance of this procedure.

19. We selected a sample of completed inspections to ensure that inspections were conducted after plan reviews were complete.

Observation: No observations were noted during the performance of this procedure.

Code Enforcement

20. We conducted interviews of field inspectors and Office Service Specialist (OSS) to obtain an understanding of policies and procedures in place on how staff and management document or administer the issuance of annual fire code permits. Based on these discussions evaluate that the appropriate levels of staff are in place to encourage a reliable control environment.

Observation: Based on our observation it was difficult to determine if management reviewed and approved the status of annual inspections from the IFP program. While it was obvious that management used a SharePoint tool to determine the status of the inspections; it was very difficult to determine if inspection results on SharePoint agreed or was evidenced by the information in the IFP program.

Evaluation: Updating inspection results and time spent on completing the inspection is essential to validating the costs associated to conduct inspections.

Recommendation: We recommend that management develop a review process to ensure that inspection status and inspection results are inputted into the IFP program. Each field inspector should be held responsible for updating inspection results; with management verifying the results in IFP.

Response: For clarification, I assume that Code Enforcement refers to the Fire Safety Specialist team and not the firefighters conducting field inspections. The SharePoint tool is a disposition tracking tool to view the progress of the inspection workload, not necessarily to quality control the record in IFP. The purpose is not a quality control tool to confirm IFP



accuracy. The inspection form itself (FIF) is reviewed and accepted by the division Assistant Fire Marshal before the SharePoint entry is made and before the FIF is data entered into the system. Confirming that the approved data actually is data entered into IFP would require a random quality control check by the Assistant Fire Marshal in each division office. This is an easy task to incorporate.

21. We conducted interviews of OSS personnel regarding the data entry procedures on annual inspection results and issuance of permits. Based on our inquiries we evaluated whether the appropriate controls are in place to ensure the accuracy of permit information and inspection results.

- Observation:** Based on our observation, it was unclear if inspections were being conducted in a timely manner. It was difficult for us to use the information in the IFP program, to determine if inspections that were required to be conducted during specific quarters, were actually conducted during those quarters.
- Evaluation:** Fire prevention code enforcement needs a strong process to ensure documentation on tracking inspections and results of inspections are accurate, complete and informative. This is an essential process in the Fire Prevention Department.
- Recommendation:** To ensure that annual inspections are being conducted on time and the status of those inspections updated in IFP in a timely fashion, we recommend that management obtain weekly reports exported from IFP to determine the status of annual inspections required to be conducted during that quarter.
- Response:** The inspection workloads whether in Prevention or in Operations are no longer issued in quarters. Time frames for anticipated completion are announced through an annual memo from the Operations Chief. The SharePoint tracking tool mentioned above does a good job of tracking progress as well as date of data entry. The date of data entry of inspection completion on the SharePoint tool is actually a data drop directly from IFP.

22. We performed inquiries and walkthroughs on data entry procedures for businesses that have an annual inspection on fire code enforcement and issued a permit. In addition, we selected a sample of these businesses to determine that inspections were performed prior to permits being issued.

- Observation:** Fire Prevention issues approximately 5,600 permits to 4,500 businesses on an annual basis. During our observation, it appeared that annual inspections were updated into the IFP program at dates later than the required inspection date.
- Evaluation:** Issuing permits without having timely information readily available as evidence that an inspection had occurred can be detrimental to the safety of Orange County residents. While inspections may have been performed, having accurate information to support the dates and times that inspections were complete is essential.



Recommendation: We recommend that management develop supervision and review procedures that on a daily basis ensure inspections that were performed have been properly updated in the IFP program.

Response: Clarity is needed to understand the term "required inspection date". If the observation is that the data entry into IFP is too long after the actual inspection, our new policy for this next fiscal year to review inspection activity at the end of each day, forward to data entry or return to the Specialist for follow up. As for the Operations inspection workload that comes in from the field, again the SharePoint tool assists us in seeing final inspection date and then the following data entry date directly from IFP. This creates a process that is an easy daily check for work flow.

23. We obtained a list of Hazmat billings for the period ending June 30, 2012 and compared that list to permit fees charged to each inspection record for the same period to determine the status of those inspections.

Observation: No observations were noted during the performance of this procedure due to billings for 2012 HMD being suspended until July 2013.

24. We selected a sample of FIF reports and determined that the business information on the reports were properly updated into the IFP program in a timely manner, and information was inputted into IFP prior to the release of respective permits to businesses.

Observation: From our observation it appeared that due to the limitation of the IFP program, it was difficult to determine which FIFs were not updated in a timely manner. While IFP provides a detailed history of permits issued and dates that permits were issued and updated, only the latest inspection date is maintained in IFP. Due to this limitation, we were only able to examine the annual inspection periods of 2012 and 2013. Per our observation of the FIF status report from IFP, 216 inspection records were updated 30 days or more after the inspection occurred.

Evaluation: Having reliable, up to date information is critical in the success of a program or department. It provides efficiency, in addition, helps management effectively supervise.

Recommendation: On a periodic basis, management should review the status of FIFs for businesses that were issued permits during that period and compares that date to the date that the FIF was updated into IFP to ensure that management is relying on timely and accurate information on inspection results.

Response: There are two ways of verification as to the timeliness of data entry and the related permit issuance. The SharePoint tool provides front line entry of the date of inspection and IFP drops the final data entry date. The other is a periodic random backlog check at each division office by the Assistant Fire Marshal. We are also working with Operations to accelerate the movement of inspection forms from the station to the data entry locations through addition of a QC function at the Battalion Chief level.



25. Through inquiry and observation we obtained an understanding of Fire Preventions process of ensuring that information for businesses that have hazardous materials disclosure requirements are properly updated in the IFP program and, if applicable, match the results of annual permit inspections for hazardous materials.

Observation: Based on our observation, it appeared that the IFP application is limited and does not spare redundant entry between the two SES modules, inspection support and HMD disclosure. As a result, information entered into the Inspection Support Module may not necessary be captured or be updated in the H.M. Disclosure module for businesses that require Hazardous material disclosures. In addition, the SR Module for New Construction Inspections does not automatically relay information to the Inspection Support module for future tracking of needed annual inspections. As a result, manual processes have been put in place to compensate for this limitation in IFP.

Evaluation: For efficiency purposes being able to eliminate manual entry processes as much as possible is always desired in an effective control structure. IFP modules should communicate with each other to protect the integrity of information.

Recommendation: Per our understanding, a new fire prevention ERP application will be implemented in the near future. We recommend that management ensure that the new database has the capability to streamline information (i.e. automatic interface) between modules, eliminating as many manual entry processes as possible. In the meantime, management should develop a process to ensure that information and results are being inputted into each module accurately and timely.

Response: Noted, management will work to ensure this capability exists in the new system. Again a random sampling will be reviewed to ensure quality entry in all modules until the new system is on line.

26. We obtained and discussed through inquiry with fire prevention personnel, the policies and procedures for monitoring annual inspections; to determine if such information was properly supported by records and other information.

Observation: During our observation it appeared that the integrity of the information used by the Deputy Fire Marshal in monitoring inspection results may not have accurately reflected information tracked and maintained in the IFP program. As a result, inspection results and directions placed by management to Fire Prevention Specialist to conduct inspections were not effective or efficient.

Evaluation: An efficient and effective process has quality monitoring controls in place to ensure that the integrity of information being used by management is accurate. Without accurate information, it is very difficult for management to effectively monitor and efficiently supervise departmental objectives and goals.



Recommendation: IFP allows for the tracking of inspection scheduling and the results of inspections. We recommend that management implement a process that will require a periodic review of information entered into the IFP program to ensure the accuracy of the information; following up with FPS on all irregularities.

Response: In the upcoming fiscal year a quality control process will be put into place where all inspection documents will be reviewed by the AFM for completeness and accuracy. Field BCs will review the work of firefighters and AFMs will perform a random recheck of that work.

27. We selected a sample of annual code enforcement inspections that were billed in the fiscal years 2013 and 2012; and using the IFP program, determined if inspections were conducted prior to the issuance of permits.

Observation: Based on our observation, it was very difficult to determine if permits were issued subsequent of the inspections due to the reliability of the information used. Please refer to the observation commented in procedure 22 above regarding the pervasive finding surrounding annual inspections.

Evaluation: The IFP application is the key application that communicates earned income to the Finance Department for billing. It is important that the IFP application accurately reflects all inspections conducted to validate as evidence for billing of permit and other administration fees.

Recommendation: We recommend that management develop supervision and review procedures that on a daily basis ensure that inspections that were performed have been properly updated in the IFP program.

Response: Noted. Discussed with division Assistant Fire Marshal team and we will implement random review of data entry processes.

28. We obtained a list of businesses that have an annual inspection scheduled for hazardous materials permits and for businesses that have an annual inspection scheduled for all other permits; for 2012, and determined the number of inspections remaining to be completed for fiscal 2012 as of March 19, 2013.

Observation: Per our observation, it appeared that over 800 annual inspections were still open to be conducted for 2012.

Evaluation: Developing procedures to encompass the use of the IFP database in determining if HCA pre-billings for period 2011-2012 had been earned is essential in the revenue recognition policy of OCFA.

Recommendation: We recommend that management review outstanding annual inspections and develop procedures to ensure that the annual inspections are completed prior to the billing date.

Response: The hazardous materials program is transitioning to HCA July 1. No other work is billed prior to initiation of the inspection. Only completed inspection work is entered into the system which then sends a message to Finance to generate a bill.



29. Based on procedure 28 above, we compared the total amount of annual inspections remaining to be conducted above and compared that amount to the general ledger to ensure that such amounts are either deferred and not accounted for as revenue as of March 19, 2013.

Observation: No observations were noted during the performance of this procedure.

Hazardous Materials Disclosure

30. Through interviews and walkthroughs, we obtained an understanding on how hazmat information is documented in detail in the IFP program. Based on our understanding, we obtained a list of annual disclosures that were completed as of March 19, 2013 and determined if disclosure information had been updated between July 1, 2012 and March 19, 2013.

Observation: No observations were noted during the performance of this procedure.

31. We selected a sample of businesses that require annual disclosure to ensure that disclosure thresholds have been met and that amounts to be properly billed reflect mandated rates.

Observation: No observations were noted during the performance of this procedure.

32. We reviewed Fire Prevention's monitoring reports from SharePoint used by management and agreed that information to supporting records and information documented in the IFP program.

Observation: As noted in our observation at procedure 26, information in SharePoint that is used by management to monitor and supervise disclosure inspections, did not agree with the information entered in the IFP program. This is due to the IFP program not being updated in a timely fashion with inspection results.

Evaluation: Integrity and accuracy of information used to manage and supervise operations is a key control to an effective control structure.

Recommendation: IFP allows for the tracking of inspection scheduling and the results of inspections. We recommend that management implement a process that will require a periodic review of information entered into the IFP program to ensure the accuracy of the information; following up with FPS on all irregularities.

Response: Noted. The follow up would be between the Assistant Fire Marshal and the Office Service Specialist on a periodic basis. SharePoint is utilized as a tracking tool for disposition of the FIF. IFP is the final determining report of completeness that actually updates the SharePoint tracking tool.

CalARP

33. We conducted an inquiry with the Fire Systems Engineer responsible for oversight of the CalARP program; to determine CalARP plan procedures and levels of authority over the program.

Observation: Based on our observation, the CalARP program for OCFA appears to have a high level of dependency on the expertise of one individual, with little oversight on the progress or activities of the CalARP program.



Evaluation: The Engineer for the CalARP program appears to have a high level of integrity. However, establishing procedures for quality control and process review of the Engineers assessments and procedures will ensure continuity amongst companies in the program; also limit the potential risks of fraud.

Recommendation: CalARP requires a high-level skill set to run and manage. While, Fire Prevention has the appropriate individuals in place to efficiently run the program, we recommend OCFA consider using a third-party technical reviewer that on a periodic basis reviews the Department's policies and procedures and makes recommendations on the performance of the program. In addition, we recommend the Department to consider having additional staff involved in the program to reduce the level of dependency on the Fire Systems Engineer.

Response: The CalARP program is transitioning to OCHCA July1, 2013.

34. We conducted an inquiry with the Fire Systems Engineer, to determine how often CalARP companies are required to be inspected and audited; what information is used to document the result of the inspection and audits, and the review process of those inspections by Fire Prevention Management.

Observation: Per our observation, it appeared that the program is solely dependent on the Fire Safety Engineer and no day to day review procedures were in place to supervise the Engineers involvement with the 38 CalARP companies.

Evaluation: The CalARP program is a program that requires a very high level of expertise to understand and monitor. The dependency on a singular individual to manage and monitor this program represents a risk to the continuity and success of the program.

Recommendation: We recommend that management consider developing a process to increase their involvement in the CalARP program, in which, the Fire System Engineer direct supervisor is included in correspondence and field inspections of the CalARP companies.

Response: The CalARP program is transitioning to OCHCA July 1, 2013.

35. We selected a sample of 5 out of the 38 companies under the CalARP program and determined if inspections were conducted for fiscal years 2012 and 2013, and if applicable audits were conducted.

Observation: No observations were noted during the performance of this procedure.

36. Based on the above sample we determined if the fees associated with the CalARP materials are in agreement with the mandated rates and companies have been charged accordingly. In addition, we agreed the fee amounts to the Banner system to ensure the amount records in Banner were recorded accurately and timely.

Observation: No observations were noted during the performance of this procedure.



False Alarms

37. We conducted interviews of key personnel relating to the processes surrounding the administration of false alarms fees. To determine if the appropriate level of supervision and technical skills exist to monitor and administer the program.

Observation: During our observation, it appeared that incident types to false alarms were being coded late and incorrectly into the OCFIRS application. It appeared that this was due to first response personnel not fully understanding the incident type to code to false alarms and having additional duties preventing follow-up of the incidents. Most of the incident types reviewed were closed in OCFIRS as long as 2 weeks after the incident took place; potential revenue loss in the ending period weeks of June 14–30 and December 15-31.

Evaluation: Coding incident types correctly into the OCFIRS is essential to revenue recognition of False Alarms. The OCFIRS application tracks occurrences on a six-month period and resets at the conclusion of the six-month period. Coding of incidents is left to the judgment of the responding personnel and highly subjective to judgment.

Recommendation: We recommend periodic training on OCFIRS coding of incidents and streamlining the codes available for false alarms. In addition, we recommend Fire Captains to review open false alarms codes on a weekly basis at a minimum to ensure that the codes are properly closed.

Response: The OCFIRS Steering Committee will work on a training program and a method to enforce the SOP regarding completion of reports. They will also identify an Operations-based QA process for select reports.

38. We reviewed the supporting documentation sent to the Finance Department for the billing of false alarm fees; and determined the appropriateness of the information sent to Finance for billing.

Observation 1: During our observation, it appeared that adjustments are made to customer accounts receivable balances after invoices are sent to the customers, due to incorrect coding. Per our observation, it appeared that this was primarily due to incident types being reviewed by Fire Prevention Specialist after Finance Department receives the occurrences.

Evaluation: An effective process has controls in place to detect errors prior to the submission of information for billings purposes. Detective controls include but are not limited to quality control reviews performed by expert staff and supervisors.

Recommendation: We recommend that prior to sending occurrences to Finance Department for billing, a fire prevention personnel signature, indicating that incident codes were reviewed and the fire prevention personnel agrees or disagrees with coding, is obtained.



- Observation 2:** Per our observation, we noted that service location addresses were not properly identified by the correct business name prior to submission to the office service specialist. In addition, properties that have more than one suite or apartment number or even address are not properly related to the property owner of those multiple addresses. As a result, system information in OCFIRS may not have been properly updated with the correct information, and bills are not sent to the correct party.
- Evaluation:** An effective process should have separate individuals initiating, processing, and approving processes. False alarms are dependent on a few individuals to submit information to accounting for billing with little to no approval.
- Recommendation:** We recommend that management implement a process that communicates the importance of First Response Personnel writing and obtaining the correct names of businesses and addresses of businesses.
- Response:** See #37 response.

Special Events

39. Through inquiry of key personnel, we obtained and documented the processes associated with the initiation, processing and authorization of permits for special events. To determine if the current process has the appropriate level of supervision and control structure.

- Observation:** While the initiation, processing and authorization process for the issuance of permits are separate, during our observation it appeared that the entire special event process was dependent on two individuals, with little quality control reviews performed outside of these two individuals.
- Evaluation:** Having processes dependent on two individuals within the same department increase the potential risk of fraudulent activity by providing the opportunity of collusion between the two individuals.
- Recommendation:** We recommend that management consider including a second level of approval, preferably a Deputy Fire Marshal, prior to the issuance of special event permits. In addition, we recommend management to consider applicants who wish to obtain a special event permit contact Front Counter Personnel for the initiation of the application.
- Response:** Noted. There is an Assistant Fire Marshal in direct supervision of both of these employees. A greater emphasis will be placed on their oversight responsibilities to ensure adequate internal controls over the issuance of special activity permits.

Information Technology

40. We obtained access rights for selected positions and employee classes in IFP and determined access rights that those classes of employees had within IFP. Based on the position and daily duties, in addition considering a segregation of duties, we performed access tests to determine if the access rights for each class were appropriate.



CERTIFIED PUBLIC ACCOUNTANTS

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Observation: Please refer to procedure 6 above regarding proper segregation of duties.

41. We reviewed the OCFA's disaster recovery plan to ensure that the plan encompassed procedures to include the IFP application and Fire Prevention records.

Observation: No observations were noted during the performance of this procedure.

OVERALL RECOMMENDATION

We would like to commend OCFA Fire Prevention Department in taking the necessary steps in ensuring that the dynamics of the Department's processes are robust and comprehensive and that addresses key weaknesses. Fire Preventions acquisition of new technologies and development of additional management tools are keen steps in developing a strong control environment. We strongly encourage Fire Prevention to continue these steps and to consider obtaining the expertise of a Specialist to help review the workflow of information, prior to the implementation of these new technologies and tools.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the internal controls of Orange County Fire Authority Fire Prevention Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Orange County Fire Authority and is not intended to be, and should not be, used by anyone other than the specified party.

Lance, Soll & Lughard, LLP

Brea, California
March 29, 2013



CERTIFIED PUBLIC ACCOUNTANTS

Jim Ruane, Finance Manager / Auditor
Orange County Fire Authority
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INTERNAL CONTROLS

The objectives of internal controls is to develop sounds practices and policies to ensure that transactions are properly recorded, accounted for correctly, executed in accordance with laws and regulations, and funds are properly safeguarded against potential risks of loss. The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO report provides a framework for companies to design, implement, and evaluate controls that will facilitate the before mentioned objectives of internal controls. COSO also has published *Guidance on Monitoring Internal Control Systems* (January 2009), which is available at www.coso.org/guidanceonmonitoring.htm.

The five components of the COSO framework were used to establish an understanding and to evaluate the internal controls surrounding policies and procedures of the Fire Prevention Department.

Control Environment

A successful control environment sets the tone of an organization influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. We noted the following improvements needed in Fire Preventions control environment for an effective control structure.

- Management ensuring that staff is knowledgeable about operational policies and procedures, and reporting requirements and being given responsibility to communicate all issues to management.
- Management's commitment to competence ensures that staff receives adequate training to perform their duties correctly, effectively and efficiently.

Risk Assessment

A risk assessment process is an entity's identification and analysis of risks relevant to achievement of its objectives, forming a basis for determining how the risks should be managed. We considered the following improvements needed in Fire Preventions Risk Assessment process to have an effective control environment:

- Controls are assessed on a regular basis to ensure that they are correctly and if applicable adaptability addressing changes in laws, regulations and industry needs.



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Control Activities

Control Activities are the policies and procedures that help ensure that management's directives are carried out. We noted the following improvements needed in Fire Preventions Control Activities for a more effective control structure:

- Management's prohibition against intervention or overriding established controls.
- Adequate segregation of duties provided between performance, review, and recordkeeping of a task.
- Computer and program controls to include data entry controls and edit checks, exception reporting, access controls, reviews of input and output data.
- Regular meetings with the Board where financial information is reviewed in comparison to the results and accomplishments of activities.

Information and Communication

Information and Communication are controls used for the identification, capture and exchange of information in a form and time frame that enable people to carry out their responsibilities. We considered the following improvements needed in Fire Preventions Information and Communication processes for an effective control structure:

- Computer applications provide reports to accurately reflect the results of activities.
- Adequate source documentation exists to support amounts and items reports
- Reports are provided timely to managers for review and appropriate actions.
- Accurate information is accessible to those who need it.

Monitoring

Monitoring is a process that assesses the quality of internal control performance over time. We considered the following improvements needed in Fire Preventions monitoring environment for an effective control environment:

- Ongoing monitoring built-in through independent reconciliations, staff meeting feedback, rotating staff, supervisory review, and management review of reports.
- Periodic site visits performed by other departments or outside services and checks performed to determine whether procedures are being following as intended.
- Follow-up on irregularities and deficiencies to determine the cause.
- Internal quality control reviews performed.
- Routine Internal Audits performed to test compliance with applicable controls and policies.



CONSENT CALENDAR - AGENDA ITEM NO. 5
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Information Management Technologies Sole Source Purchase Order**

Summary:

This item is submitted for authorization to issue a sole source Purchase Order to Information Management Technologies (IMT) for programming changes to the Staffing System, which are necessary to implement a proposed cap on the number of overtime hours worked by suppression personnel.

Recommended Action:

Authorize the Purchasing Manager to issue a sole source Purchase Order to Information Management Technologies for an amount not-to-exceed \$16,700 for a single-scope programming project relating to implementation of an overtime cap for suppression personnel.

Background:

OCFA management and labor have been engaged in recent discussions regarding the concepts for a cap on the number of overtime hours worked by suppression personnel per year. The specific language for an overtime cap is still being refined, and management and labor are working jointly towards an implementation date of October 1, 2013, for the proposed cap.

Daily staffing of frontline suppression positions are managed through an automated information system known to OCFA as the Staffing System. For example, when a suppression employee becomes ill and is unable to work his/her shift, the automated Staffing System reviews the "availabilities" entered by other suppression personnel whom are not already scheduled to work, and the System hires an employee to work the shift. In performing this automated task, the Staffing System follows numerous rules built into the System to comply with detailed labor contract provisions.

In order to implement an overtime cap, the Staffing System needs to be programmed with additional parameters to match those rules which are agreed to for the cap. IMT has reviewed the requirements for this project and indicated that it will require approximately 120 hours of programming time, allowing for time to address potential issues that may arise after initial programming and testing. Staff is recommending that the Purchase Order be issued for not-to-exceed 132 hours, including a 10% margin in the event management identifies additional rules which have not yet been identified, but which should be included in the programming of the overtime cap for successful implementation. Using IMT's hourly rate of \$126.48, the total not-to-exceed cost for this project is \$16,700.

Existing Contract with IMT & Sole Source Justification

OCFA has an existing Board-approved contract with IMT to supplement OCFA's IT staff capacity for custom programming and other technology needs. Under the existing contract, IMT provides ongoing support of OCFA's integrated Scheduling/Timecard/FLSA/Staffing System, as the sole source provider for this unique suite of individualized custom applications.

IMT's contract with OCFA also provides for assistance to support the HRMS/Payroll system and for programming work in connection with implementation of the Public Safety Systems (PSS) project. The services provided under the existing contract are performed as-needed at the above stated hourly rate, for a total annual cost not-to-exceed \$149,000.

Since the proposed overtime cap is a newly developed concept which was not previously anticipated for inclusion in the IMT contract, the scope and hours were not made a part of the base contract. Due to the one-time nature, and distinct project definition, staff is proposing that a separate Purchase Order be issued for the newly proposed overtime cap. Work for this project will be carefully tracked specifically against this *one-time* Purchase Order.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

The \$16,700 one-time project cost will be monitored against the existing Support Services Department budget for FY 2013/14. Staff will attempt to fund the cost with savings that may be achieved through other line items, either in the Support Services Department budget, or in other areas of the OCFA budget. In the event sufficient savings cannot be identified by mid-year, staff will request a mid-year budget adjustment to cover the cost.

Staff Contact for Further Information:

Joel Brodowski, Information Technology Manager
Support Services Department
joelbrodowski@ocfa.org
(714) 543-6101

Attachments:

None

CONSENT CALENDAR - AGENDA ITEM NO. 6
BOARD OF DIRECTORS MEETING
July 25, 2012

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Contract for Aircraft Rescue Fire Fighting Services at John Wayne Airport**

Summary:

This agenda item is submitted for approval of a new five-year contract for Aircraft Rescue Fire Fighting (ARFF) Services at John Wayne Airport (JWA). The new contract is similar to the current five-year contract and is the result of the County's RFP process. OCFA's response to that process was approved by the Executive Committee on November 15, 2012.

Recommended Action:

Approve and authorize the Fire Chief to execute the proposed contract for Aircraft Rescue Fire Fighting Services at John Wayne Airport.

Background:

The OCFA has been providing on-site ARFF services to John Wayne Airport for over 50 years, since the addition of commercial aviation. These services include response to aircraft emergencies, fuel spills, refueler vehicle inspections, and many other aspects of aviation related emergency planning and services delivery.

On November 22, 2011, the Orange County Board of Supervisors directed John Wayne Airport to assess the feasibility of: (1) operating an in-house ARFF program; and (2) contracting for ARFF services through Request for Proposal (RFP) process. They also approved a one-year contract extension with OCFA which included a daily staffing of seven personnel in lieu of a five-year contract with a daily staffing level of six personnel.

In October of 2012, JWA released a Statement of Qualifications (SOQ) for ARFF services. Four entities responded to the SOQ, and all four were determined to meet the minimum qualifications and requirements to provide ARFF services.

In November 2012, OCFA's current contract with John Wayne Airport (JWA) was renewed for a term of five-years, pending completion of the RFP, and includes daily staffing of six personnel. This contract provides for a 4% cap on annual contract increases.

In February 2013, JWA released an RFP for ARFF services. Only four vendors were deemed qualified via the SOQ process and allowed to submit proposals. The new contract (see attachment) resulting from the RFP process would also be a five-year contract at the existing service levels and would include a 3% cap on annual contract increases. Selection of the preferred ARFF service provider is scheduled for consideration by the Orange County Board of Supervisors at its August 13, 2013, meeting. JWA staff has requested OCFA to acknowledge the proposed contract, if approved by the County, would be acceptable to the OCFA

Impact to Cities/County:

If the County selects OCFA and approves the attached contract, approval of the contract will enable OCFA to continue providing ARFF Services to John Wayne Airport, while also recovering the costs associated with the provision of service.

Fiscal Impact:

The contract provides revenue to OCFA, which recovers OCFA's cost of services, which includes a proportional share of administrative overhead.

Staff Contacts for Further Information:

Lori Zeller, Assistant Chief/Business Services Department

LoriZeller@ocfa.org

(714) 573-6020

Brian Stephens, Assistant Chief/Support Services Department

brianstephens@ocfa.org

(714) 573-6008

Mike Moore, Division 2 Chief

mikemoore@ocfa.org

(949) 341-0294

Attachment: (on file in the Office of the Clerk)

Proposed contract for Aircraft Rescue Fire Fighting (ARFF) Services at John Wayne Airport

CONSENT CALENDAR - AGENDA ITEM NO. 7
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Keith Richter, Fire Chief

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

Summary:

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

Recommended Action:

Receive and file the report.

Background:

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

On Monday, July 8, 2013, letters were mailed to 2,259 affected business owners noticing them of the availability of refunds. Vouchers were included with the letters, along with return-stamped envelopes to facilitate the business owners in claiming their refunds. It was evident that letters were received beginning the following day, as phone calls began to come in from business owners in response to the letters on Tuesday. The first week of activity was as follows:

Date	Quantity of Claims	Dollar Amount
Wednesday, July 10, 2013	13	7,529
Thursday, July 11, 2013	100	73,119
Friday, July 12, 2013	97	60,217
Monday, July 15, 2013	71	56,783
Tuesday, July 16, 2013	20	21,917
Wednesday, July 17, 2013	92	78,702
Cumulative Total-To-Date	393	\$298,267

In addition to mailing letters, the list of the 2,259 affected businesses was posted on the OCFA website on July 15, 2013.

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

Impact to Cities/County:

Not Applicable.

Fiscal Impact

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

Staff Contacts for Further Information:

Keith Richter, Fire Chief

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(714) 573-6010

Craig Kinoshita, Deputy Fire Chief

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(714) 573-6014

Attachments:

None

CONSENT CALENDAR – AGENDA ITEM NO. 8
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Laura Blaul, Assistant Chief/Fire Marshal
Fire Prevention Department

SUBJECT: **FY 2012/13 Annual Progress Report on Planning and Development Activity**

Summary:

This agenda item is submitted to provide a year-end summary of activities in the Planning and Development Services Section. The Attachment summarizes plan review activities by volume, average turnaround time, and success in meeting turnaround time target goals during the fiscal year. It also summarizes inspection activity during the same time period, including qualitative information in the form of reasons for inspection failure.

Recommended Action:

Receive and file the report.

Background:

The Planning and Development Services Section continues working to improve customer service, section efficiency and impact on community risk. This agenda item highlights major issues and accomplishments during the past fiscal year.

Reduce injuries, loss of life and loss of property

Planning and Development Staff continue active participation in Fire Prevention's transformation to a risk-based focus, linking resources with targeted community risks. Currently this effort includes the new Smoke Alarm Program, Safe Cooking Program, Safe Apartments, and the Ready, Set Go! Wildfire Program. These programs will have a positive impact on community safety once fully implemented over the next several years.

The 2013 California Fire and Building Codes were adopted by the State last fiscal year, triggering the requirement for local adoption in the 2013 calendar year. Staff continues work with other Orange County fire agencies in an effort to standardize, as much as practical, local amendment packages. Additionally, staff is meeting with the Building Industry Association (BIA), National Association of Industrial and Office Properties (NIAOP), and Orange Empire Building Officials to help ensure a smooth adoption process. Staff plans on bringing the Fire and Building Code package to city/county officials starting in late July in preparation of agendizing for each council/board before the end of the calendar year.

Provide effective, efficient and quality service

There was an increase in the number of plans submitted for review and approval which equated to an increase in construction inspections. The number of plan submittals increased by 21% and construction inspections by 44%. With the assistance of consultant services, our turnaround times for plan reviews remained high at 87% within 10 days, just missing our target goal of 90%.

However the average turnaround for plans for the fiscal year is 8 days. Despite a 44% increase in construction inspections, we exceeded our turnaround time goals for inspections conducted within 48 hours of request. Although, because of the increase in activity, the last quarter of the fiscal year fell to an 85% success rate (see attachment). Many of our partnering agencies are advising us that they expect new construction to continue to increase during the 2013/14 fiscal year. The section is currently operating at 70% of the 2009 staffing level with 30% of section positions frozen. Staff established workload “triggers” for unfreezing and filling positions when it appears the workload will be sustained and accompanying fees will cover staff costs. However, turnaround times will likely increase prior to the addition of additional staffing.

Create and maintain effective working relationships with customers

This past year, Fire Prevention has been focusing on building partnerships with the development community. Currently, several contractors and retail establishments are assisting with the marketing of Ready, Set, Go! (RSG) reducing wildfire losses by hardening homes against wildfire. Recent examples include Ganahl Lumber providing an end-cap display of RSG materials, James Hardie Siding adding RSG information to its brochures, and Owens Corning developing a marketing campaign that displays its trademark “Pink Panther” dressed in a firefighter’s helmet carrying an axe. The Owens Corning campaign is intended to spread the RSG message along with the fire resistive nature of its products.

Additionally, staff continued maintaining several strong partnerships with representatives from the Irvine Company, Heritage Fields, Rancho Mission Viejo Project, the Great Park, BIA, NIAOP, city and county officials to name a few. These partnerships provide for immediate feedback and flow of information concerning new development and provide for input on future projects.

Create a Fire Prevention team that models a dedication to excellence

All Planning and Development activities were consolidated into programs and assigned to individuals who will function as program managers. Each program manager was responsible for developing goals and objectives, scoping, partners, and performance indicators. Program Managers are now in the process of developing program measurements by identifying data streams and methods for collecting data.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

Pete Bonano, Deputy Fire Marshal
Planning and Development Services Section
petebonano@ocfa.org
(714) 573-6101

Attachment:

FY 2012/13 Plan Review and Construction Inspection Summaries

Attachment
FY 2012/13
Plan Review and Construction Inspection Summaries

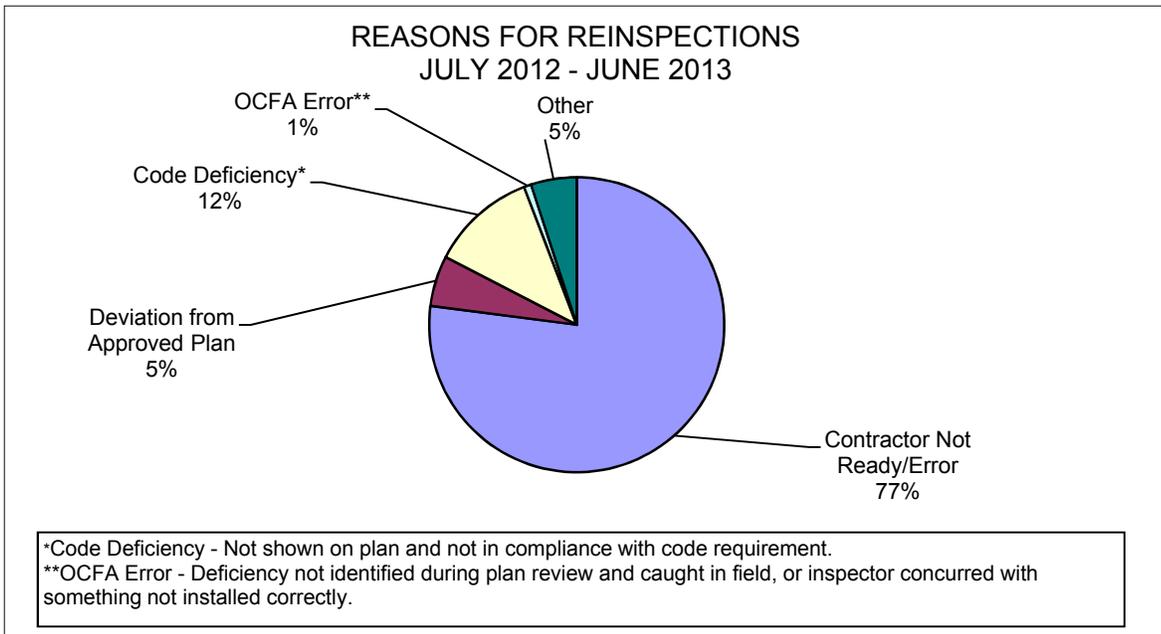
PLAN REVIEW

FY Quarter	Total Plans Received	Total Plans Reviewed	Plans Within Target Goals	% of Plans Within Target Goals
Jul - Sept 2012/13	1,695	1,733	1,578	91%
Oct - Dec 2012/13	1,527	1,670	1,530	92%
Jan - Mar 2012/13	1,557	1,449	1,185	82%
Apr - Jun 2012/13	1,834	1,816	1,521	84%
Totals	6,613	6,668	5,814	87%

CONSTRUCTION INSPECTIONS

Quarter	Total Inspections*	Reinspections		Within 48 Hour Goal or At Customer's Request		Late	
		Number	Percent	Number	Percent	Number	Percent
Jul - Sept 2012/13	2,535	131	5.7	2,237	97.5	57	2.5
Oct - Dec 2012/13	2,832	120	4.7	2,480	97.2	72	2.8
Jan - Mar 2012/13	2,589	97	4.1	2,158	90.7	221	9.3
Apr - Jun 2012/13	3,044	145	5.1	2,412	85.4	411	14.6
Totals	11,000	493	4.9%	9,287	92%	761	7.6%

*Total Inspections may exceed the total volume of On-Time and Late Inspections due to completion of unscheduled and administrative inspections.



CONSENT CALENDAR - AGENDA ITEM NO. 9
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Authorization to Negotiate and Execute Lease Amendments and/or New Leases for Current and Future Tenants of the Newly Acquired Hangars at Fire Station 41 (Fullerton Airport), Air Operations Maintenance Facility**

Summary:

This item seeks approval to authorize the Fire Chief to negotiate and execute lease amendments for FS 41 Hangars 1, 3, and 4, which remain occupied by pre-acquisition tenants; seeks approval to authorize the Fire Chief to negotiate, approve and execute any future lease amendments and/or new leases for FS 41 Hangars 1, 2, 3, and 4; and to amend the OCFA Roles/Responsibilities/Authorities Matrix to include the requested authorizations.

Recommended Actions:

1. Approve and authorize the Fire Chief to negotiate and execute lease amendments for Hangars 1, 3, and 4 respectively, in a form substantially consistent with the proposed amendments.
2. Approve and authorize the Fire Chief to negotiate, approve and execute any future leases and/or lease amendments for FS 41 Hangars.
3. Amend the Orange County Fire Authority Roles/Responsibilities/Authorities Matrix to authorize the Fire Chief to negotiate, approve and execute leases and/or amendments for FS 41 Hangars.

Background:

On November 19, 2009, the Board of Directors authorized the purchase of a newly constructed 43,021 square foot hangar facility located at the Fullerton Airport and a new land lease with the City of Fullerton. On January 28, 2010, the Board of Directors approved the Purchase and Sales Agreement with FW Aviation LLC (FWA) for the hangar facility for the sum of \$6,168,743 dollars. The approval provided for a First Closing of sale to initially acquire the eastern half, or 21,451 square feet, of the hangar facility for the sum of \$3,968,743. A second closing was to occur within two years of the first to purchase the remainder of the hangar facility. The entire facility could not be purchased at the same time because the western half, or 21,570 square feet, of the facility was occupied by FWA tenants. FWA planned to complete a new Fixed Base Operation (FBO) hangar facility at Fullerton Airport within two years and relocate the tenants, enabling OCFA to complete the purchase of the entire hangar facility. The balance of the purchase price \$2,200,000 was placed in escrow.

FWA encountered unexpected delay and could not complete the FBO within two years as planned. With no place to relocate its tenants and no compelling reason for OCFA to press the Second Close, it was postponed. On January 24, 2013, the Executive Committee approved a modification of the Purchase and Sales Agreement, extending the second closing to a date not later than June 30, 2013. On June 28, 2013, OCFA and FWA closed and recorded the sale of the

second half of the FS 41 hangar facility, which includes Hangers 1, 2, 3 and 4, located at 3940-3970, Artesia Avenue, Fullerton, CA 92833.

At the time of second closing, the new FBO was still not complete. Occupancy for the new facility was rescheduled for August 31, 2013. OCFA intended to seek other public safety tenants for the hangars, but initial interest did not materialize. With no pending tenants and no place to relocate current tenants in the short term, OCFA proposed to continue the existing tenant leases at current leases/rates as amended by the attachments hereto, until September 30, 2013.

FWA, as the previous owner of the facility, has occupied Hangar 2 at 3960 Artesia Avenue, since its construction, and will relocate to the new FBO with the other tenants. As FWA will not be able to relocate immediately, OCFA will require FWA to enter into a short-term lease agreement expiring on September 30, 2013. Pursuant to the authority herein requested, the Fire Chief will coordinate with OCFA General Counsel to develop an appropriate lease instrument, negotiate acceptable terms and conditions, and execute the FWA lease.

The need to extend the occupancy/leases of current tenants was unexpected. Based upon the existing Roles/Responsibilities/Authorities Matrix, General Counsel determined that approval of the Board of Directors is required to modify the current leases.

In order to avoid repeated requests for Board approval for amendments to future leases with tenants at the hangars, staff recommends that authorization to negotiate and approve such leases and amendments be delegated to the Fire Chief.

Staff review of the progress of the new FBO indicates a high level of confidence for completion before September 30, 2013. Staff is currently working to continue lease occupancy of the four hangars, and has obtained a market analysis from a commercial real-estate appraisal firm that identifies the market rental rate for the facilities.

Security deposits and lease payments for Hangers 1, 3, and 4 were redirected to OCFA effective July 1, 2013. Tenant leases represent a gross monthly income of about \$18,586. Not later than September 30, 2013, tenants will relocate to the new FBO. However, staff is working with General Counsel to develop and offer new leases to existing tenants who may wish to remain at FS 41 or to new tenants. Since the second closing, staff has entertained inquiries from perspective new tenants, both public and private.

Impact on Cities/County:

None

Fiscal Impact:

Monthly tenant lease income is approximately \$18,586.

Staff Contact for Further Information:

Steve Chambers, Property Manager

Stevechambers@ocfa.org

(714) 573-6471

Attachments: (Attachments 1-3 are on file in the Office of the Clerk)

1. Second Amendment to Lease Agreement – Burdge Logistics (Hanger 1)
2. Second Amendment to Lease Agreement – South Coast Helicopters (Hanger 4)
3. Third Amendment to Lease Agreement – Ladera Aircraft (Hangar 3)
4. Orange County Fire Authority Roles/Responsibilities/Authorities Matrix [*Revised*].

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

All authority rests with the Board of Directors unless it is delegated by statute or board action. When delegated, these authorities are further defined by contracts, resolutions, policies, or other board actions. The following chart defines OCFA's levels of authority. The Board of Directors has the authority to change these delegations within the parameters of legal and contractual restrictions.

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Levels of Service	Develop and implement programs to provide the identified "Levels of Service."		Approve temporary changes in "Levels of Service."	Approve "Levels of Service" for the Authority.
Resource Deployment	Establish policy/deployment that maintains the approved "Levels of Service."			
Standard Operating Procedures (SOPs) and General Orders (GOs)	Develop and implement SOPs and GOs consistent with Board policies.			
Budget Adoption	Develop the budget.		Budget & Finance Committee - Review the budget; make recommendations.	Approve the budget prior to June 30 each year (JPA Agreement, Article IV.1)
Budget Execution	Authorize expenditures within approved budget appropriations (JPA Agreement, Article IV.2)			
Budget: Intra- and inter-fund transfer; increases and decreases to appropriation.	Approve intra-fund transfers within adopted budgets			Approve inter-fund transfers between budgets; Approve increases and decreases to appropriations.

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
<u>Fire Station 41, Air Operations Maintenance Facility - Leases</u>	<u>Negotiate, approve and execute leases and/or lease amendments for Hangers Nos. 1, 2, 3, and 4</u>			
Fund Balance - Assigned	Assign amounts for workers' compensation and the capital improvement program within requirements of the <i>Assigned Fund Balance Policy</i>		Budget & Finance Committee – Review calculations used to determine assignments for workers' compensation and the capital improvement program for consistency with <i>Assigned Fund Balance Policy</i>	Assign and un-assign fund balance for any specific purposes other than workers' compensation and the capital improvement program, within the guidelines of GASB Statement No. 54
Fund Balance – Committed				Commit and un-commit fund balance via minutes action, within the guidelines of GASB Statement No. 54
Contingency Planning and funding	Develop plan; administer budget in a manner consistent with plan and policies.		Budget & Finance Committee - Review contingencies and spending for compliance with plan and policies.	Establish plan and policies. Transfer of Appropriation for Contingencies requires prior approval of the Chair or the Vice Chair, in the absence of the Chair, and must be reported to the Board immediately in writing.

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Debt obligation	Develop and recommend financing plans.		Budget & Finance Committee – Review of recommended financing plans.	Approve all debt obligations. (Note: long-term bonded indebtedness requires approval by 2/3 rd vote of the members.)
Purchase of commodities and fixed assets	Approve purchase of commodities and fixed assets with a unit cost up to \$100,000.		Approve purchase of fixed assets with a unit cost over \$100,000.	
Emergency Purchases/Contracts	Approve emergency purchases up to \$75,000.		Purchases in excess of \$75,000 require prior approval of Chair or Vice Chair and must be reported at the next Executive Committee meeting.	
Purchasing - Service Contracts	Approve service contracts up to \$100,000 per contract year. Approve Sole Source Service Contracts up to \$50,000 per contract year.		Approve all service contracts over \$100,000 per contract year. Approve Sole Source Service Contracts over \$50,000 per contract year.	
Purchasing - Consultant Contracts	Approve consultant contracts up to \$25,000.		Approve all consultant contracts over \$25,000.	

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Public Works	Approve all public works contracts in amounts up to the statutory limits authorized by Section 22032 of the Public Contract Code.			Approve all public works contracts in amounts at or above the statutory limits authorized by Section 22032 of the Public Contract Code.
Change Orders/ Modifications (excludes Public Works contracts in excess of the formal limit set forth in Section 22032 of the Public Contract Code)	Approve change order/modifications, within the original scope of work, up to 15% but not to exceed a total value of \$50,000.		Approve change order/modifications, not within the original scope of work, or-over 15%, or exceeding a total value of \$50,000.	
Change Orders/ Modifications for Public Works contracts in excess of the formal limit set forth in Section 22032 of the Public Contract Code	Approve change order/modifications up to 10%, but not to exceed a total value of \$50,000.		Approve change order/modifications over 10%, or exceeding a total value of \$50,000.	
Investment Practices	Provide financial data to Budget & Finance Committee, Executive Committee and Board of Directors. Develop draft policy.		Budget & Finance Committee - Review Treasury/Investment actions to insure compliance with policy. Executive Committee – review monthly reports.	Adopt investment and Treasury policies.

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Setting of salaries/benefits and other terms and conditions of employment	Identify issues, recommend negotiations approach; negotiate with labor organizations as approved by the Board of Directors.		Review management recommendations; make recommendations to the Board of Directors.	Provide direction to chief negotiator on negotiations; adopt resulting MOUs and changes in the PSR.
Grievances	Administer procedures pursuant to MOU and PSR provisions.			
Disciplinary Actions	Implement disciplinary actions within legal and MOU requirements.			
Hire/Terminate	Hire/terminate Authority staff.		Make recommendations to the Board of Directors on General Counsel legal services contract and Fire Chief employment contract, and compensation of General Counsel and the Fire Chief.	Hire/terminate Fire Chief and General Counsel. Approve service contract for General Counsel. Approve employment contract for Fire Chief.
Appointments				Appointment of clerk, auditor, and treasurer (JPA Agreement Articles II.9 and II.13)
Classification and Salary Ranges	Administer classification system within existing classes and budget.		Adopt and approve new or modified classes and corresponding salary ranges.	

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Settlement of Employee Complaints and Grievances	Approve settlements up to \$10,000 within existing PSR parameters.		Approve settlements up to \$50,000.	Approve settlements over \$50,000.
File Legal action				Authorize filing of legal action.
Respond to legal action				Authorize response to legal action.
Settlement of Claims and Litigation	Approve settlements of claims and litigation up to \$50,000. in accordance with Board of Directors Rules of Procedure.	Approve settlements of claims and litigation over \$50,000 not to exceed \$250,000. in accordance with Board of Directors Rules of Procedure.		Approve settlements of claims and litigation over \$250,000.
Level of risk/coverage/exposure	Recommend risk management policies; administer risk management program within established Board of Directors and legal requirements.			Establish policies.
Write-Off for Uncollectible Accounts	Approve write-off of uncollectible accounts up to \$15,000.		Approve of Write-off of uncollectible accounts over \$15,000. Budget and Finance Committee review annual report of uncollectibles and make a recommendation to Executive Committee for final decision.	

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Accept Real Property Interests	Accept interest in real property if the Board of Directors or Executive Committee has previously approved.			Approve Secured Fire Protection Agreements and Purchase Agreements for the acquisition of real property.
Accept Grants	Accept all grants except: (1) when the grantor requires approval by the governing body, or; (2) when an adjustment is immediately needed to appropriations to expend the grant, or; (3) when a contract award is needed, requiring approval by the Executive Committee or Board.		Accept all grants in which the grantor requires approval by the governing body.	

CONSENT CALENDAR - AGENDA ITEM NO. 10
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Annual Update: Santiago and Freeway Complex Fire After Action Reports**

Summary:

This item is submitted as an annual update on the actions being taken as a result of the Santiago and Freeway Complex Fire After Action Reports and associated recommendations adopted by the Board of Directors on March 27, 2008, and April 23, 2009.

Recommended Action:

Receive and file the reports.

Background:

On March 27, 2008, the OCFA Board of Directors adopted a series of recommendations as a result of the Santiago Fire After Action Report. The Board also adopted a series of recommendations from the Freeway Complex Fire After Action Report at its April 23, 2009, Board of Directors meeting. At its July 22, 2010, meeting the Board directed staff to provide an annual update to the Executive Committee on the progress of implementation. The two reports have a combined total of 152 recommendations broken down into one of three categories: Mitigation and Preparation, Prevention and Public Education, and Operations and Response.

The Board of Directors adopted several key recommendations and implementation continues, and the action items are 88% complete for the Santiago Fire and 81% complete for the Freeway Fire. Recommendations continue to be assessed and put into practice where appropriate. Past and present noted accomplishments include:

- Purchasing of two new wildland fire and rescue helicopters
- Program scope and temporary implementation of a full-time handcrew
- Work with local water agencies to evaluate potential threats and weaknesses to the water distribution systems
- Night vision goggles for the helicopters
- Targeted assistance to homeowners in the form of the Ready, Set, Go! Program
- Enhancements to OCFA's media center and dignitary escort policy
- Purchasing and outfitting of patrols with Compressed Air Foam System (CAFS)
- Incorporation of eleven new Type 3 wildland engines into the fleet
- Augmented staffing Standard Operating Procedure (SOP) has been developed to address staffing during major events
- Creation of an internal Incident Management Team (IMT) Program
- Trained and certified OCFA members as military helicopter coordinators
- Adoption of Very High, High, and Moderate Fire severity zones
- Development of the Volunteer Fire Corp Program

The completion of the recommendations requires financial or resource support that is currently not available. OCFA is monitoring these remaining recommendations and continues to evaluate the viability and impact on public safety. Noted outstanding recommendations include:

- Increased staffing to four persons at 12 stations with Type-3 wildland engines
- Enhance efforts with Fire Safe Councils to make them more effective (underway)
- Acquire USAR facility to free space in Fire Stations
- Refine website information for major emergencies

Impact to Cities/County:

None.

Fiscal Impact:

Not Applicable.

Staff Contact for Further Information:

Brian Stephens, Assistant Chief/Support Services Department
brianstephens@ocfa.org
(714) 573-6008

Attachments: (Links to Website Documents)

1. [Santiago Fire After Action Report](#)
2. [Freeway Complex Fire After Action Report](#)

DISCUSSION CALENDAR – AGENDA ITEM NO. 11
BOARD OF DIRECTORS MEETING
July 25, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Craig Kinoshita, Deputy Fire Chief

SUBJECT: **Annual Workers' Compensation Update and Actuarial Report for CY 2012**

Summary:

This agenda item provides an update on the OCFA workers' compensation program. Attached is the Actuarial Study showing the estimated financing projections of the Workers' Compensation Self-insurance Program.

Committee Action:

At its June 12, 2013, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action:

Receive and file the report.

Background:

In 2002, the OCFA was granted permission by the Division of Industrial Relations Self-Insurance Plans to be self-insured through a Certificate of Consent. The OCFA administers its self-insured program through a Third Party Administrator (TPA), York Risk Services Group, and all costs within the self-insured retention (SIR) are paid out of the annual budget.

Budgeting for Self-Insurance Fund:

Twice a year OCFA uses an independent actuary to project future workers' compensation costs and to update the amount of funding needed to self-insure its Workers' Compensation Program. Attached is the latest actuary report using data valued as of December 31, 2012.

An actuary analyzes the OCFA's claims data to determine the best projection of cost and necessary funding based on case reserves set by the TPA, OCFA's historical loss experience, and industry trends. The period analyzed by the actuary reflects the OCFA's first claims history as a self-insured employer dating back to 2002 through 2012. The OCFA averages approximately 28 claims a month or 336 per year (not including first aid injuries) with 672 open claims.

The actuary provides outstanding losses and projected ultimate losses at various confidence levels, which estimates the probability that a given dollar amount will cover a specific group of open or unreported claims. The actuary also reviews past years' workers' compensation losses to recalculate, if necessary, a more accurate case level reserve.

The OCFA's policy is to maintain reserve funding at the 50% confidence level for outstanding losses that occurred in prior years and to include funding at the 60% confidence level for losses projected to occur in the upcoming fiscal year. Past and future losses funded at the 50% and 60% confidence levels respectively includes medical payments, permanent disability and life pension payments, allocated and unallocated expenses. This level of funding was recommended by the Budget and Finance Committee and approved by the Board of Directors in FY 2010/11 for implementation each year in the annual budget for workers' compensation.

Analysis of Actuary Projections:

The actuarial projection for all estimated outstanding liabilities (prior years through June 30, 2013) at the 50% confidence level is \$51,610,837. This is approximately a 38% increase from the estimated outstanding liabilities identified in the December 31, 2011 actuary report. Estimated outstanding liabilities include the current liabilities and long-term liabilities. Current liabilities are the amount of estimated outstanding losses that the OCFA is expected to pay off during the next fiscal year. Long-term liabilities are the remaining estimated outstanding losses (i.e. the portion of estimated losses that will be paid off in fiscal years beyond the upcoming fiscal year).

Current Liabilities – the actuary has projected the current liabilities estimated to be paid in the 2012/13 fiscal year to be \$8,784,054. This is approximately a 15% increase from estimated current liabilities identified in the December 31, 2011, actuary report.

Long-Term Liabilities – the actuary has projected the long-term liabilities to be \$42,826,783 using the 50% confidence level. This is approximately a 44% increase from the estimated long-term liabilities in the December 31, 2011 actuary report.

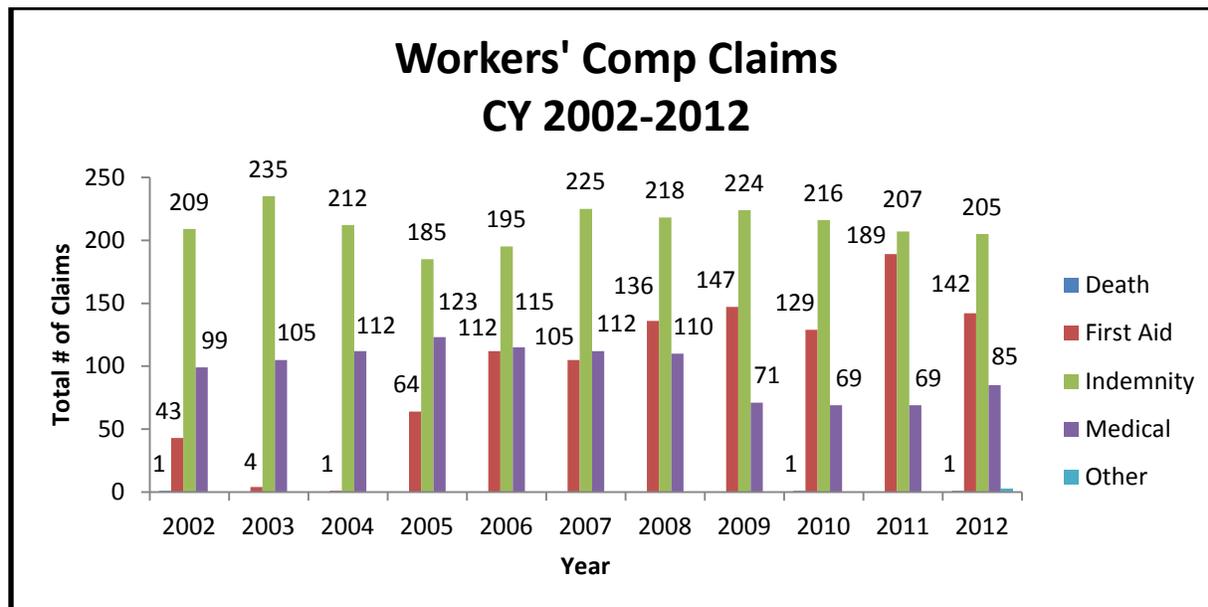
The increase in cost associated with the actuarial study reflects all outstanding paid claims to include reserves and incurred but not reported claims in addition to the statutory benefits up to the OCFA SIR level of \$2.0M. There are several contributing factors to the cost increase including workers' compensation reform that increased the statute of limitation for cancer from five to ten years and created additional delays; injury presumptions for safety personnel; an aging workforce which contributes to a longer recovery time and higher permanent disability benefits; increased medical costs; and an increase to the workforce in 2012 with the addition of the City of Santa Ana. In regards to the cost increases associated with the increased workforce from the City of Santa Ana, it's important to note that the OCFA's Fire Services Agreement with the City includes provisions requiring the City to reimburse OCFA for workers' compensation costs associated with cumulative trauma injuries for these transferring employees.

Injury and Illness Trend Analysis:

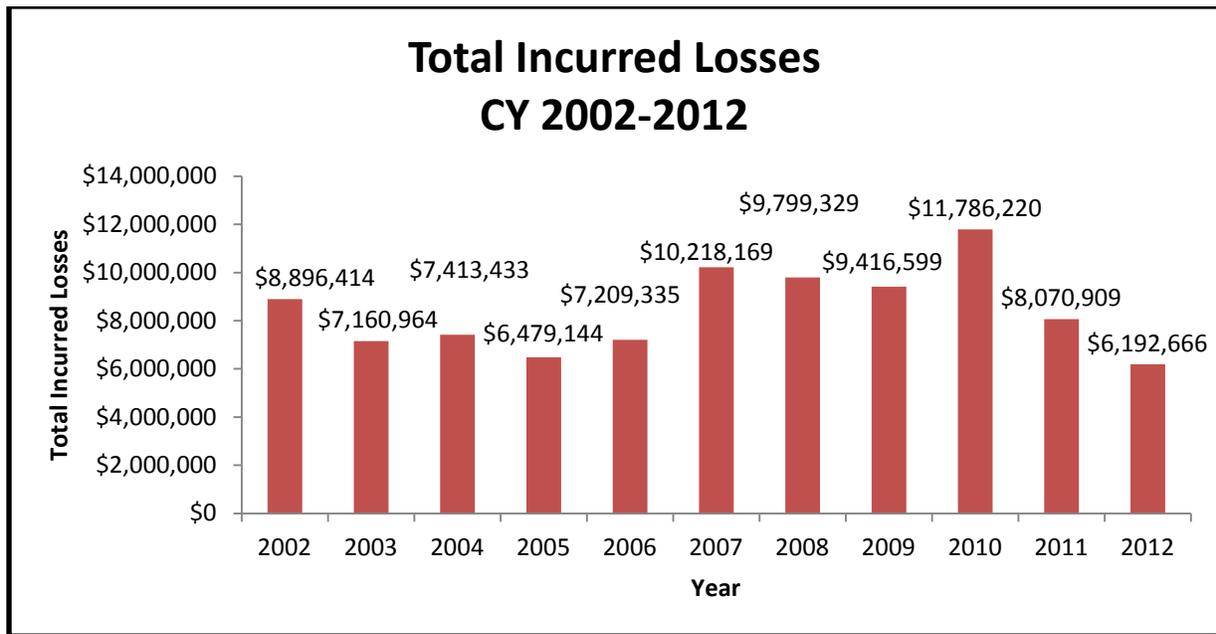
The chart below includes the following classification of injuries and illnesses: first aid, medical, indemnity, death, and other. OCFA’s total number of injuries and illnesses has remained fairly consistent over the past seven years with an average of 440 per year.



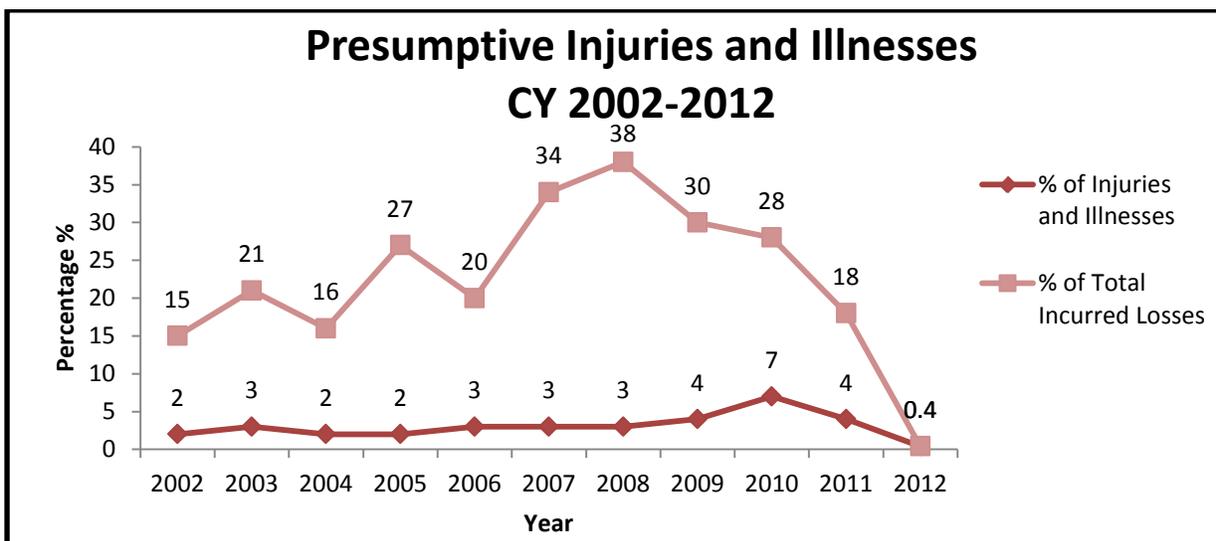
The chart below breaks down the above information further by showing the number of reports in each of the injury and illness classifications. There has been a slight decrease in indemnity claims (time loss) over the past seven years with medical only claims (non-time loss) remaining fairly flat. First aid claims spiked in 2011 but were reduced in 2012 to an amount more consistent with previous years.



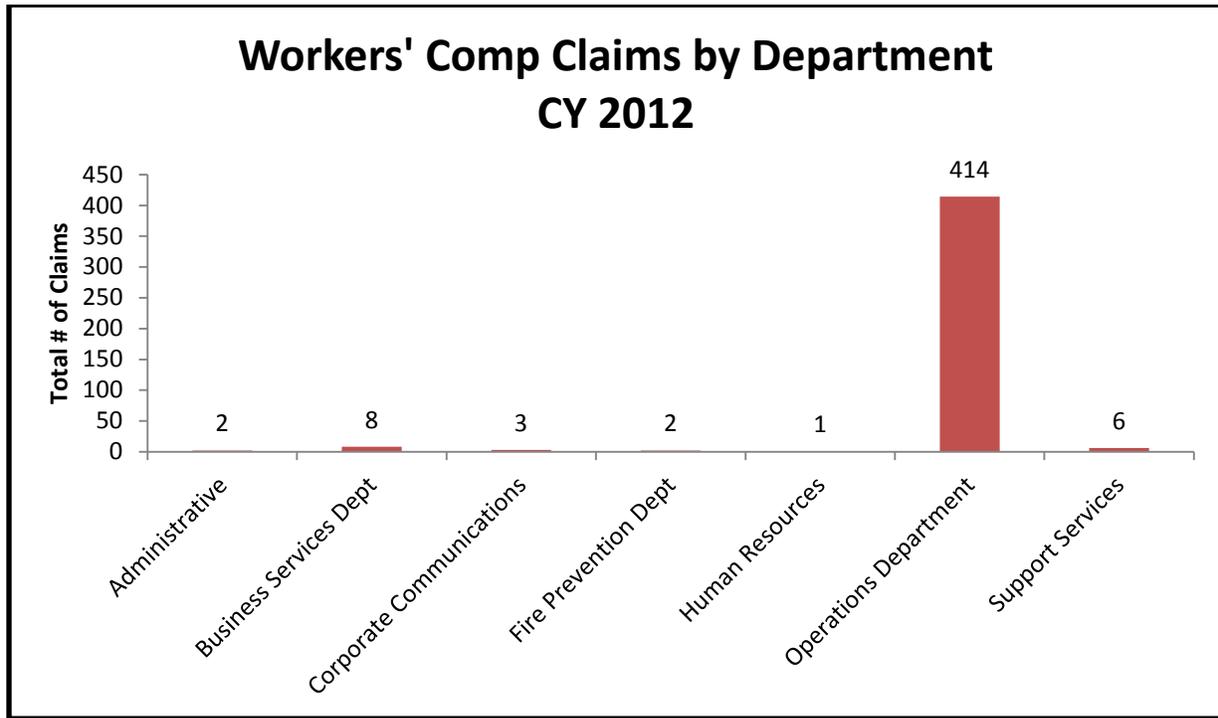
The chart below shows total incurred losses which are the combined medical, salary, legal and other costs that have already been paid as well as those estimated future costs. Since 2005, total incurred losses have been on the rise even though the frequency of injuries and illnesses has remained fairly consistent.



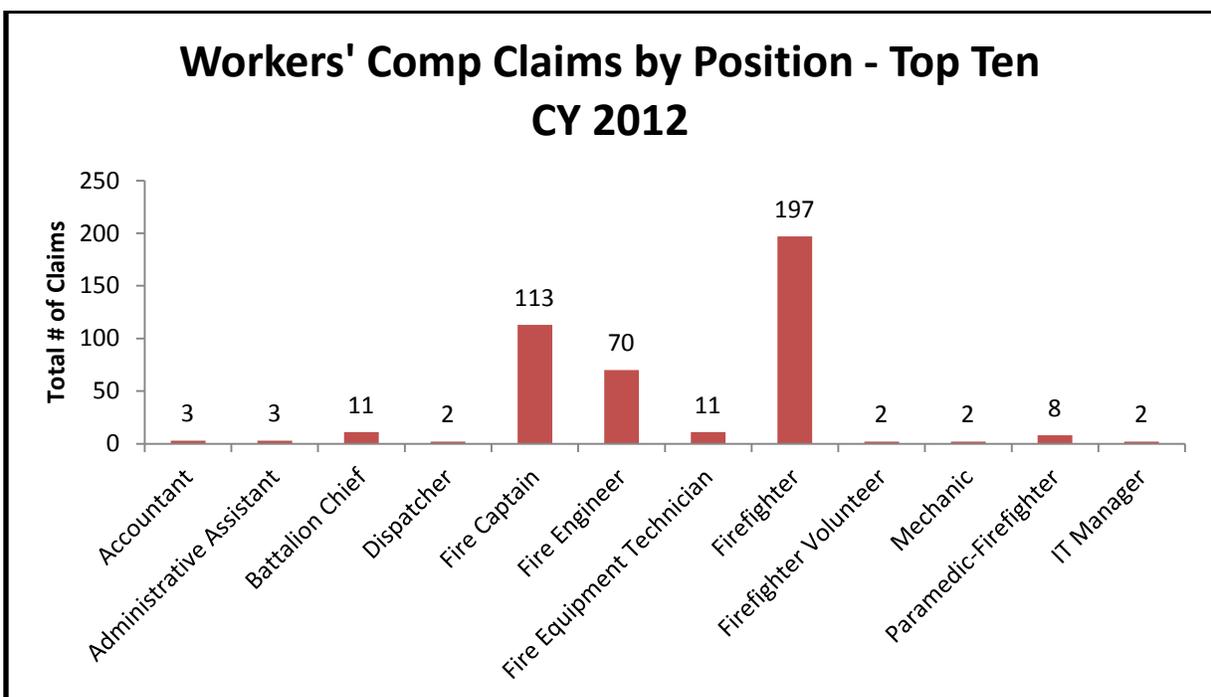
Labor Code 3212 identifies several injuries and illnesses as presumptive for safety employees: cardiac, cancer, tuberculosis, MRSA, hernia, Lyme disease and blood borne diseases. The burden shifts to the employer to prove the injury or illness is non-industrial once filed by the employee. The chart below shows presumptives make up a small percentage of the total injuries and illnesses each year but make up a much larger percentage of total incurred losses.



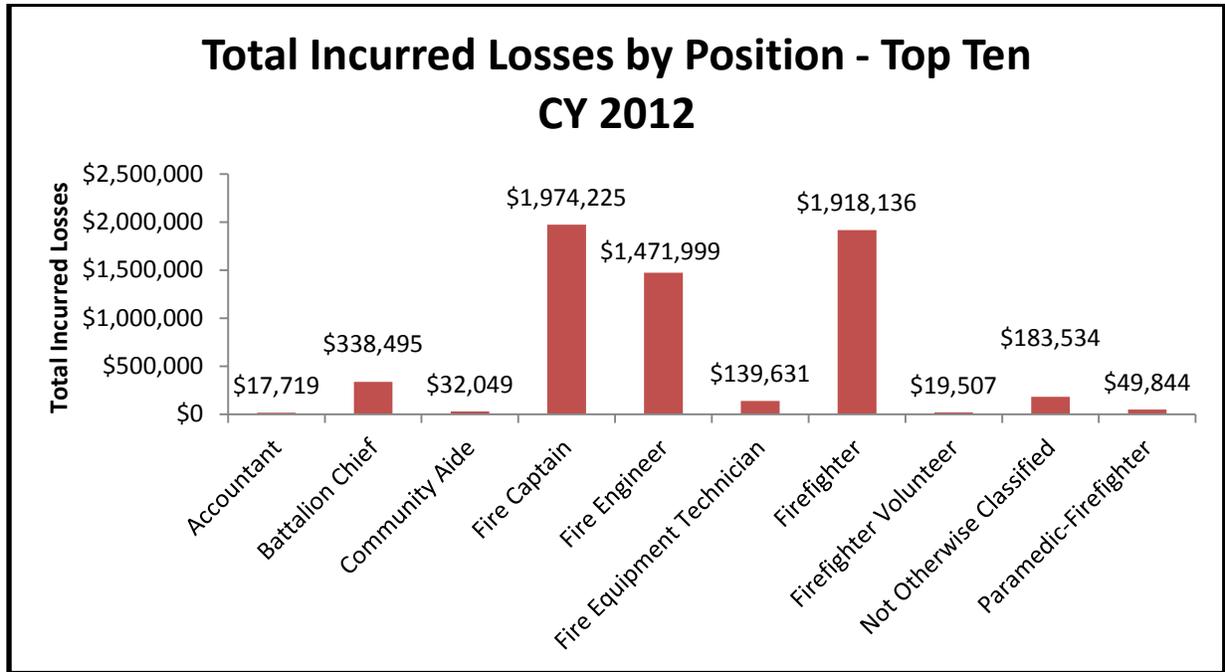
Safety employees make up 80% of the OCFA workforce and perform the most physically intensive jobs within the organization. The chart below shows safety employees accounted for 95% of the workers' compensation claims in 2012.



The chart below shows the ten job classifications most frequently injured in 2012. These ten job classifications account for 97% of the workers' compensation claims in 2012.



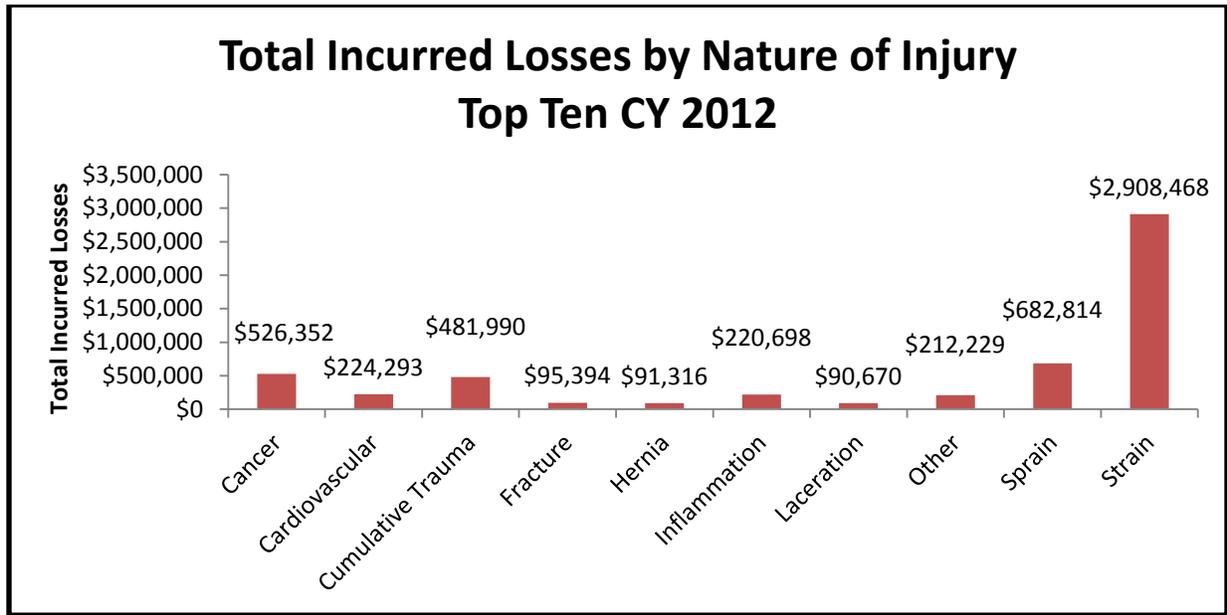
The chart below shows the ten job classifications with the greatest amount of total incurred losses in 2012. These ten job classifications account for 99% of the total incurred losses in 2012.



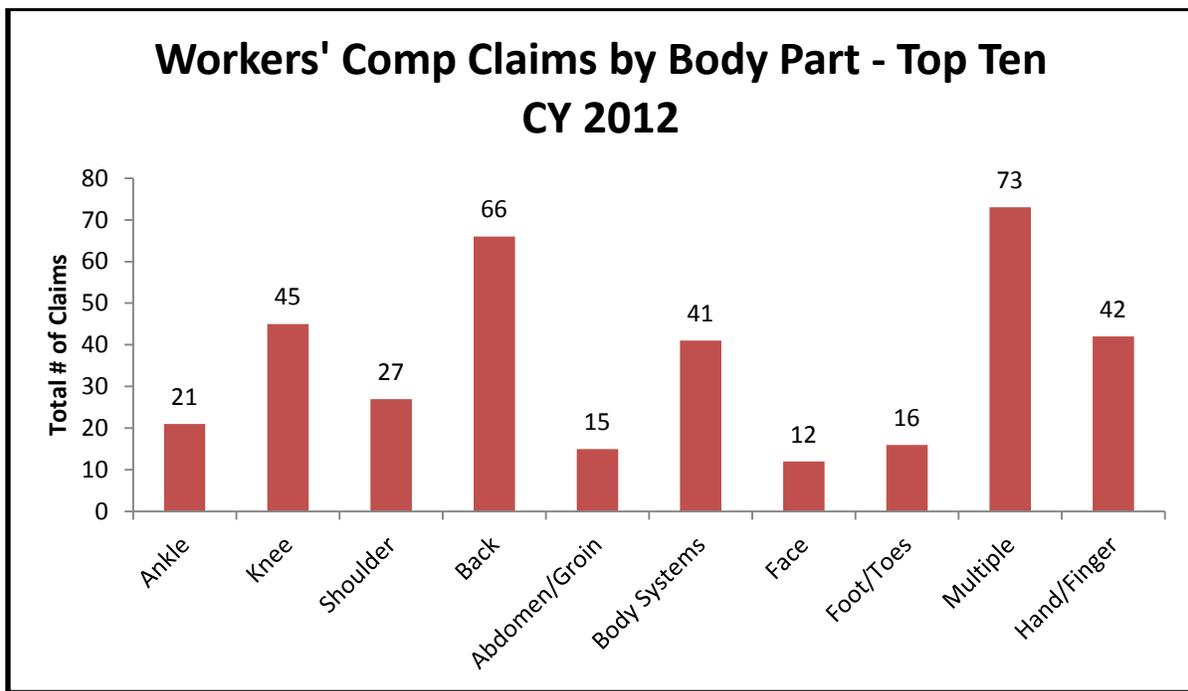
The chart below shows the ten nature of injury categories most frequently reported in 2012. These ten natures of injury categories account for 83% of the workers' compensation claims in 2012.



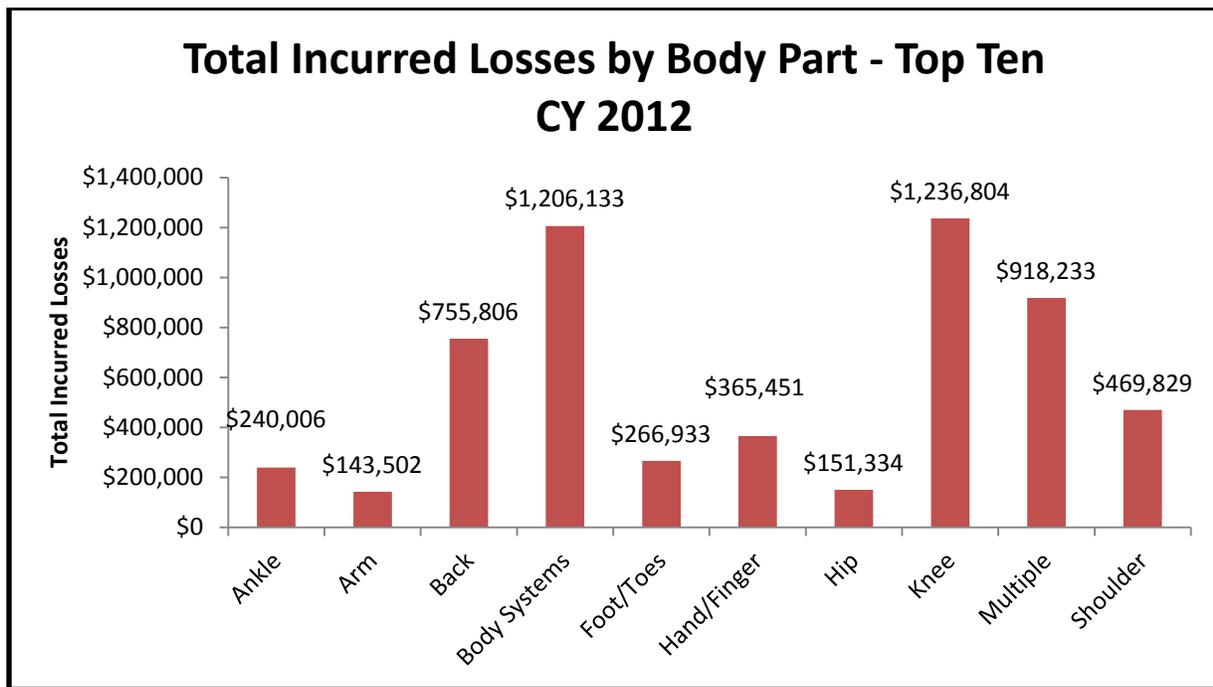
The chart below shows the ten natures of injury categories with the greatest amount of total incurred losses in 2012. These ten nature of injury categories account for 89% of the total incurred losses in 2012.



The chart below shows the ten body part categories most frequently injured in 2012. These ten body part categories account for 82% of the workers' compensation claims in 2012.



The chart below shows the ten body part categories with the greatest amount of total incurred losses in 2012. These ten body part categories account for 93% of the total incurred losses in 2012.



Third Party Administration (TPA):

York Risk Services Group has been the TPA of the workers’ compensation self-insured program since 2002. The TPA provides statutory benefits to employees injured on the job in accordance with California workers’ compensation law and provides cost control measures to offset cost.

Cost Control Measures:

A variety of cost control measures are in place including: injury and illness prevention program; WEFIT (wellness and fitness) program; TPA case management; utilization review; TPA medical bill review; an aggressive modified (light) duty program; annual audits; excess insurance; and the claims settlement process. These are described in more detail below.

Injury and Illness Prevention Program (IIPP) - The IIPP is a state mandated workplace safety program that improves workplace safety and health and reduces costs by good management and employee involvement. This includes the objectives of increasing communication at all levels within the organization on safety issues, identifying and controlling workplace hazards, reviewing workplace incidents, and maintaining compliance with safety and health regulatory requirements.

WEFIT - The WEFIT Program is a wellness and fitness program designed to monitor the health and fitness of firefighters and prepare them for physical demands of the firefighter job. Additionally, the WEFIT Rehabilitation Program provides for the treatment of minor sprains and strains before they become a workers’ compensation claim.

TPA Case Management - Workers’ compensation program staff emphasize customer service to

assist employees injured on the job through the sometimes complex workers' compensation process. Executive Management, workers' compensation program staff, and the TPA meet on a monthly basis to discuss and troubleshoot key cases and procedures.

Utilization Review - Utilization review is a State mandated process administered by our TPA to determine if treatment recommended by a physician is in accordance with medical treatment guidelines. Utilization review is designed to ensure the employee receives the most effective treatment therefore providing a secondary benefit to the employer by ensuring the treatment is cost effective.

TPA Medical Bill Review – Bill review is a program administered by our TPA to review all charges made by medical providers when treating employees. The bill review assures that medical providers do not exceed state cost standards for treatment and other medical charges.

Modified (Light) Duty Program - Safety employees suffering an occupational injury are entitled to their salary for up to 1-year according to Labor Code 4850. The OCFA has a transitional/light duty program used to return injured employees released by their physician to some form of light work. Value is added to the employee by keeping them engaged in the workforce and allowing them to utilize their skills to benefit the OCFA. Salary continuation is terminated by returning the employee back to work which provides a savings to the OCFA.

Annual Audits - Claims Audits are performed annually to assess the efficiency and effectiveness of the claims administration program and identify any areas for improvement.

Excess Insurance - Workers' compensation excess insurance is purchased through a major California local government pool named CSAC-EIA. The OCFA's excess insurance covers losses that exceed \$2.0M per incident (self-insured retention), regardless of the number of employees per incident. In incidents exceeding the self-insured retention, excess insurance covers any and all benefits up to the statutory limits under California workers' compensation law. For example in a \$2.5M work compensation loss, our self-insured retention would cover the first \$2.0M and excess insurance would cover the next \$500,000. Membership in this excess insurance pool has brought significant premium savings.

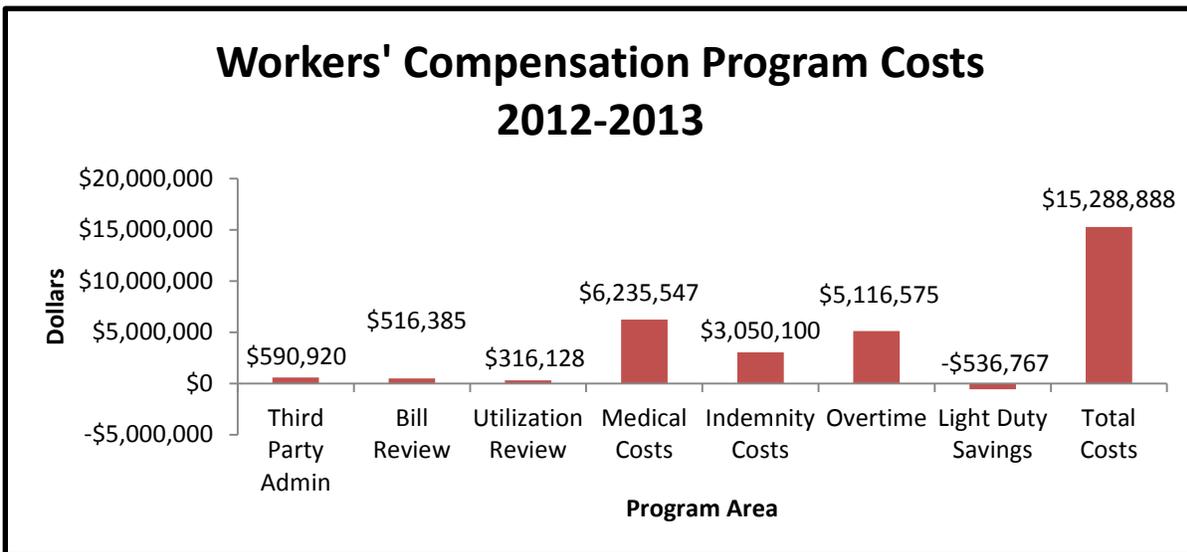
Claims Settlement Process - Occupational injuries may result in permanent disability that has some type of monetary settlement to the employee. An injury can be settled one of two ways: 1) a compromise and release (C&R); or 2) through a stipulation and award. A C&R is when you resolve your entire claim through a lump sum. This allows the injured worker to control their future medical care and absolves the employer of any further liability for the injury. A stipulation and award is when permanent disability is being paid over a period of weeks with future medical care continuing to be the responsibility of the employer. Each type of settlement must be approved by a workers' compensation judge before becoming final.

The Board delegated approval settlements of \$50,000 and under to the Fire Chief or his designee. The Fire Chief has delegated settlements of \$25,000 and under to the Risk Manager. Settlements over \$50,000 are brought to the Settlement Committee of the Board of Directors for review and approval. Settlements over \$250,000 are brought to the full Board of Directors for review and

approval.

Program Costs:

The cost for the third party administration of the workers’ compensation program is approximately \$1.4M per year. This includes the cost of administering the statutory benefits as well as cost control services such as bill review and utilization review. The administrative costs, medical costs, indemnity costs (4850, temporary disability, permanent disability including life pension), associated overtime, and light duty savings makes the workers’ compensation a \$15,288,888 program.



Summary and Conclusions:

The goal of the OCFA is to control workers’ compensation costs through a number of techniques, especially the IIPP, WEFIT, an aggressive return to work program, medical bill review, injury and investigation follow-up, and good case management.

We believe the self-insurance workers’ compensation program has been effective, and it is our goal to continue to improve its effectiveness through a focus on the following areas:

Legislative Updates – New proposals that could impact workers’ compensation and the OCFA are frequently being introduced to the Senate. The OCFA must continue to use legislative advocacy to protect bills that may create a bias to harm the employers’ solvency or create an unreasonable imbalance in the system.

Occupational Safety & Health Data – The OCFA must improve the quality, timeliness, and accessibility of safety & health data and information as identified in Objective 3-D of the Strategic Plan. Communicating safety and health information creates awareness and ownership throughout the organization and provides information necessary to make data-driven decisions that will lead to a more efficient use of limited resources.

Safety Management System – The OCFA’s safety program has historically been a reactive compliance-based program. The OCFA must create a safety management system that focuses on risk identification, analysis, prioritization and control; continuous improvement of the overall organizational safety; and efficient use of organizational resources as identified in Objective 1-M of the Strategic Plan.

WEFIT - The OCFA must continue to emphasize employee wellness, especially through programs such as WEFIT and WEFIT Rehabilitation Program. Most injuries can be reduced through better fitness, conditioning, and rehabilitation. In addition, many illnesses such as cancers and cardiovascular diseases can be reduced through lifestyle changes. The WEFIT program directly affects these medical conditions and promotes a good health and fitness culture. From the inception of the program it has been successful at identifying medical conditions that can be treated before they become more severe, thereby controlling costs, and helping in the development of a more fitness and health conscious work force.

TPA Contract – The OCFA must continue to evaluate each component of service provided by the TPA including claims administration, bill review, and utilization review to ensure we are receiving the highest level of service at an affordable price. The OCFA is presently reviewing proposals for TPA services and hopes to realize a reduction in costs.

Medical Providers – The OCFA must evaluate each of the medical services provided to determine if we are receiving the optimum services at the most cost efficient price. Medical care is a high cost driver for this program and reduction in this area is key to reducing cost. The use of occupational clinics and/or a medical provider network will be evaluated in the upcoming year.

Alternative Dispute Resolution (ADR) – With the passing of Senate Bill 899 unionized employees have the ability to negotiate an ADR Program. The OCFA is evaluating the potential benefits of ADR.

Return to Work Program – The OCFA must continue to aggressively return employees to light work when released by their physician which will add value to the employee and provide savings to the organization.

Impact to Cities/County:

Not Applicable.

Fiscal Impact:

Per the actuarial report, projected losses for FY 2013/14 are \$13,401,583 at the 60% confidence level. Estimated outstanding losses for prior years through June 30, 2013 are \$51,610,837 at the 50% confidence level.

Staff Contact for Further Information:

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Attachment: (On file in the Office of the Clerk.)
Actuarial Study of the Workers Compensation Program of OCFA, based on data valued as of
December 31, 2012

REPORTS – AGENDA ITEM NO. 12
BOARD OF DIRECTORS MEETING
July 25, 2013

ORANGE COUNTY EMPLOYEES' RETIREMENT SYSTEM STATUS REPORT

This will be an oral presentation by OCFA staff.

REPORTS – AGENDA ITEM NO. 13
BOARD OF DIRECTORS MEETING
July 25, 2013

CHIEF'S REPORT

1. Customer Satisfaction Survey Results by City - June 2013

CUSTOMER SATISFACTION SURVEY

Attachment 1

Data by City for June 1 - 30, 2013

CITY/AREA	FORMS SENT	FORMS RETURNED *	PERCENT RETURNED *	AVERAGE RATING
Aliso Viejo	8	2	25.00%	100.00%
Buena Park	109	32	29.36%	95.45%
Coto de Caza	14	6	42.86%	94.05%
Cypress	71	22	30.99%	97.40%
Dana Point	94	24	25.53%	96.93%
El Modena	5	2	40.00%	100.00%
Emerald Bay	1	1	100.00%	100.00%
Irvine	360	76	21.11%	97.95%
La Palma	23	3	13.04%	97.62%
Ladera Ranch	4	2	50.00%	87.50%
Laguna Hills	75	10	13.33%	97.14%
Laguna Niguel	99	23	23.23%	97.98%
Laguna Woods	134	59	44.03%	97.66%
Lake Forest	115	33	28.70%	96.58%
Los Alamitos	12	1	8.33%	100.00%
Las Flores	0	0		
Midway City	13	4	30.77%	100.00%
Mission Viejo	230	69	30.00%	96.06%
Modjeska Canyon	1	0		
Orange Park Acres	2	2	100.00%	96.43%
Placentia	73	26	35.62%	96.51%
Portola Hills	0	0		
Rancho Santa Margarita	81	9	11.11%	97.22%
Rossmoor	20	7	35.00%	94.98%
San Clemente	88	25	28.41%	97.86%
San Juan Capistrano	78	32	41.03%	96.29%
Santa Ana	383	67	17.49%	94.26%
Santa Ana Heights	9	0		
Santiago Canyon	2	1	50.00%	100.00%
Seal Beach	78	31	39.74%	95.91%
Silverado Canyon	5	0		
Stanton	80	17	21.25%	97.86%
Sunset Beach	0	0		
Trabuco Canyon	2	2	100.00%	98.21%
Tustin	181	37	20.44%	96.08%
Villa Park	11	8	72.73%	94.90%
Westminster	188	48	25.53%	95.22%
Yorba Linda	109	38	34.86%	95.48%
Non-OCFA cities	33	9	27.27%	99.60%
TOTALS/AVERAGE	2,791	728	26.08%	96.94%

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