



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## Budget and Finance Committee Meeting

Wednesday, July 9, 2014

12:00 Noon

### Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Elizabeth Swift, Chair

Randal Bressette, Vice Chair

Sam Allevato Trish Kelley Jerry McCloskey Al Murray Steven Weinberg

Bruce Channing - Ex Officio

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

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Supporting documents, including staff reports, are available for review at the Orange County Fire Authority Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Friday from 8:00 a.m. to 5:00 p.m.

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



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

## CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Allevato

## ROLL CALL

**PUBLIC COMMENTS**

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

**MINUTES****1. Minutes for the June 11, 2014, Budget and Finance Committee Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

**CONSENT CALENDAR****2. Monthly Status Update - Orange County Employees' Retirement System**

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

Recommended Action:

Receive and file the report.

**DISCUSSION CALENDAR****3. Monthly Investment Reports**

Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of July 17, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

**4. Grant Purchase Approval - Generator and Backup Power for Fire Station 41 (Fullerton Airport)**

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of July 24, 2014, with the Budget and Finance Committee's recommendation that the committee take the following actions:

1. Approve a CIP budget adjustment to Fund 122 (Facilities Maintenance and Improvement) for FY 2014/15 to increase appropriations by \$437,000.
2. Increase FY 2014/15 revenue in Fund 122 (Facilities Maintenance and Improvement) by \$252,000.

**5. Community Risk Reduction Fee Study and Adoption of Associated Fee Schedules**  
Submitted by: Lori Zeller, Assistant Chief, Business Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of July 24, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Find that, in accordance with California Government Code Section 66014, the proposed fees do not exceed the cost of providing services and are only for the purpose of meeting operational expenses and are, therefore, exempt from compliance with the California Environmental Quality Act pursuant to Public Resources Code Section 21080.
3. Approve and adopt the proposed Resolution and Exemption Policy approving changes in Community Risk Reduction and Miscellaneous fees and effective date.

**REPORTS**

No items.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, August 13, 2014, at 12:00 noon.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 3<sup>rd</sup> day of July 2014.

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

**UPCOMING MEETINGS:**

Executive Committee Meeting	Thursday, July 17, 2014, 6:00 p.m.
Claims Settlement Committee Meeting	Thursday, July 24, 2014, 5:30 p.m.
Board of Directors Meeting	Thursday, July 24, 2014, 6:00 p.m.
Budget and Finance Committee Meeting	Wednesday, August 13, 2014, 12:00 noon

# MINUTES ORANGE COUNTY FIRE AUTHORITY

**Budget and Finance Committee Meeting**  
**Wednesday, June 11, 2014**  
**12:00 Noon**

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

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## **CALL TO ORDER**

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on June 11, 2014, at 12:00 p.m. by Chair Swift.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

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

**Absent:** Sam Allevato, San Juan Capistrano

### **Also present were:**

Fire Chief Keith Richter	Ex Officio Bruce Channing
General Counsel David Kendig	Assistant Chief Lori Smith
Assistant Chief Brian Stephens	Assistant Chief Lori Zeller
Clerk of the Authority Sherry Wentz	Assistant Clerk Lydia Slivkoff

## **PUBLIC COMMENTS (F: 12.02B3)**

Chair Swift opened the Public Comments portion of the meeting. Chair Swift closed the Public Comments portion of the meeting without any public comments.

## MINUTES

### 1. **Minutes for the May 14, 2014, Budget and Finance Committee Meeting** (F: 12.02B2)

On motion of Director Murray and second by Director Weinberg, the Committee voted to approve the minutes of the May 14, 2014, Budget and Finance Committee Meeting, as submitted. Vice Chair Bressette and Director McCloskey noted abstentions.

## CONSENT CALENDAR

Director McCloskey pulled Agenda Item No. 2 for separate consideration.

### 2. **Monthly Investment Reports** (F: 11.10D2)

Director McCloskey pulled this item for a question regarding zero maturities on the Aging Report.

Treasurer Tricia Jakubiak indicated the zero maturities will be filled in when OCFA receives the TRAN proceeds on July 1, 2014.

On motion of Director McCloskey and second by Director Murray, the Committee voted unanimously to direct staff to place the item on the agenda for the Executive Committee meeting of June 26, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

### 3. **Monthly Status Update – Orange County Employees' Retirement System** (F: 17.06B)

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

## DISCUSSION CALENDAR

### 4. **Request from City of Santa Ana for Release of Escrow** (F: 10.03, Santa Ana)

Assistant Chief Zeller provided an overview on the City of Santa Ana's request for release of escrow, and introduced Santa Ana City Manager David Cavazos, Director of Finance Francisco Gutierrez, and Assistant Director of Finance Robert Cortez. Mr. Cortez provided a PowerPoint presentation on the City of Santa Ana's current financial status.

A lengthy discussion ensued.

On motion of Director Weinberg and second by Vice Chair Bressette, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of June 26, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Find that the City of Santa Ana's financial condition has improved such that the need for Security has changed and that the Security should be eliminated.
2. Authorize the release of \$2.9 million held in escrow as Security for the City of Santa Ana's financial obligations under the Fire Services and Emergency Medical Services Agreement.

By consensus, the Committee directed that the City of Santa Ana report back to the Committee when the City has reached its projected unassigned General Fund Reserve Balance of 20%.

**5. Communication with Auditors for Fiscal Year 2013/14 Financial Audit (F: 15.02B)**

Assistant Chief Zeller introduced Finance Manager Jim Ruane who provided an overview on auditor communications and introduced Rich Kikuchi, CPA for Lance, Soll & Lunghard, who provided an update on the Fiscal Year 2013/14 Financial Audit.

On motion of Director Weinberg and second by Director McCloskey, the Committee voted unanimously to receive and file the report.

**6. Updated Cost Reimbursement Rates (F: 15.12)**

Assistant Chief Zeller introduced Finance Manager Jim Ruane who provided an overview on the updated cost reimbursement rates.

On motion of Director Murray and second by Vice Chair Bressette, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of June 26, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors approve and adopt the proposed Cost Reimbursement Rate schedules effective July 1, 2014.

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

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

On motion of Vice Chair Bressette and second by Director Weinberg, the Committee voted unanimously to direct staff to place the item on the agenda for the Board of Directors meeting of June 26, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Upon approval of the proposed increase to the maximum BLS emergency 9-1-1 transportation billing rate by the Orange County Board of Supervisors, authorize staff to increase OCFA's Advanced Life Support (ALS) and Basic Life Support (BLS) Medical Supply reimbursement rates by the same percentage increase effective on or after July 1, 2014.

**REPORTS (F: 12.02B6)**

No items.

**COMMITTEE MEMBER COMMENTS (F: 12.02B4)**

Director Murray thanked Division Chief Kris Concepcion and OCFA staff for providing a Drowning Prevention Awareness video at the June 3, 2014, City of Tustin Council meeting, and for participating in the State of the City.

Director McCloskey thanked Division Chief Bryan Brice for coordinating the same Drowning Prevention Awareness video for the City of Laguna Niguel Council meeting, and indicated he was very pleased with OCFA.

**ADJOURNMENT** – Chair Swift adjourned the meeting at 1:00 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, July 9, 2014, at 12:00 noon.

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

# Orange County Employees Retirement System

Actuarial Valuation and Review as of  
December 31, 2013



This report has been prepared at the request of the Board of Retirement to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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*June 3, 2014*

*Board of Retirement  
Orange County Employees Retirement System  
2223 Wellington Avenue  
Santa Ana, CA 92701*

*Dear Board Members:*

*We are pleased to submit this Actuarial Valuation and Review as of December 31, 2013. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2015-2016 and analyzes the preceding year's experience.*

*This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census and financial information on which our calculations were based was prepared by the Retirement System. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.*

*The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.*

*We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.*

*We look forward to reviewing this report at your next meeting and to answering any questions.*

*Sincerely,*

*Segal Consulting, a Member of The Segal Group, Inc.*

By:

*Paul Angelo, FSA, MAAA, FCA, EA  
Senior Vice President and Actuary*

*MYM/hy*

*Andy Yeung, ASA, MAAA, FCA, EA  
Vice President and Associate Actuary*

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## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

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### Purpose

This report has been prepared by Segal Consulting to present a valuation of the Orange County Employees Retirement System as of December 31, 2013. The valuation was performed to determine whether the assets and contributions are expected to be sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement System, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, retired members, and beneficiaries as of December 31, 2013, provided by the Retirement System;
- The assets of the Plan as of December 31, 2013, provided by the Retirement System;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions that fully fund the System's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the System's assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the System's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the Board's recently adopted funding policy to combine and re-amortize the outstanding balance of the unfunded actuarial accrued liability (UAAL) from the December 31, 2012 valuation over a declining 20-year period. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2015 through June 30, 2016 (the rates will go into effect during the pay period in which July 1, 2015 is included).

## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

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### Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

*Ref: Pgs. 69 and 125*

- The ratio of the valuation value of assets to the actuarial accrued liabilities has increased from 62.5% to 66.0%. For informational purposes only, we have also prepared in Appendix C the funded ratio for each Rate Group. The System's funded ratio measured on a market value basis increased from 63.2% to 67.7%. The System's unfunded actuarial accrued liability has decreased from \$5,675.7 million as of December 31, 2012 to \$5,367.9 million as of December 31, 2013. The decrease in unfunded actuarial accrued liability is mainly due to higher than expected investment return (after smoothing) and lower than expected salary increases. A reconciliation of the System's unfunded actuarial accrued liability is provided in Section 3, Exhibit H. A new schedule showing the reconciliation of the UAAL by Rate Group is provided in Appendix E.

*Ref: Pgs. 62 and 128*

- The aggregate employer rate calculated in this valuation has changed from 39.21% of payroll to 39.05% of payroll. The 39.21% rate was calculated after applying the two-year phase-in of the impact of the change in the economic assumptions on the employer's rates in the last valuation. The contribution rate without the phase-in was 41.51% of payroll.

*Ref: Pgs. 31 and 126*

The reasons for the changes in the rates between the 2012 and 2013 valuations are: (i) combining and re-amortizing of the outstanding balance of the December 31, 2012 UAAL over a single 20-year period, (ii) favorable investment return (after smoothing) and (iii) lower than expected individual salary increases, offset somewhat by (iv) growth in total payroll less than expected and (v) other experience losses. A reconciliation of the System's aggregate employer rate is provided in Section 2, Subsection D (see Chart 15). A reconciliation of the employer contribution rate by Rate Group is provided in Appendix D.

It should be noted that new OCTA employees hired on or after January 1, 2013 who were previously assumed to enroll in Plan U (CalPEPRA 2.5% @ 67) are now enrolled instead in Plan B (1.67% @ 57.5).

*Ref: Pg. 32*

- The aggregate member rate calculated in this valuation has increased from 12.75% of payroll to 12.77% of payroll. The change in the aggregate member rate is due to the changes in membership demographics. A reconciliation of the System's aggregate member rate is provided in Section 2, Subsection D (see Chart 16).

Based on our recommendation, OCERS has decided to use the discretion made recently available by AB1380 to no longer round the member's contribution rate to the nearest ¼% as previously required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA). This should allow for exactly one-half of the normal cost to be paid (each) by the employees and employers covered under the CalPEPRA plans (i.e., Plans T, U and V).

## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

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Also of note is that as recently determined by the Board, we will be including the additional cashout assumptions in developing the basic member rates starting with the next valuation as of December 31, 2014.

*Ref: Pg. 5*

- As indicated in Section 2, Subsection B (see Chart 7) of this report, the total net unrecognized investment gain as of December 31, 2013 is \$262,167,000 (as compared to a net unrecognized gain of \$97,451,000 as of December 31, 2012). This deferred investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years and will help offset any investment losses that may occur after December 31, 2013. The deferred gains will be recognized over the next four years as shown on Line 7 of Chart 7, along with any future gains or losses that will occur if the System does not earn the assumed rate of investment return of 7.25% per year (net of expenses) on a market value basis.

The deferred gains of \$262 million represent about 2% of the market value of assets. The potential impact associated with the deferred investment gains may be illustrated as follows:

- If the deferred gains were recognized immediately in the valuation value of assets, the funded ratio would increase from 66.0% to 67.7%.
  - If the deferred gains were recognized immediately in the valuation value of assets, the aggregate employer rate would decrease from 39.05% to about 37.8% of payroll.
- The actuarial valuation report as of December 31, 2013 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.
  - The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because these new statements are not effective until the 2014 calendar year for plan reporting and the fiscal year ending June 30, 2015 for employer reporting, we have continued to use Statements 25 and 27 in preparing the financial reporting information in this report.

## **SECTION 1: Valuation Summary for the Orange County Employees Retirement System**

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### Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- difference between actual experience and anticipated experience;
- changes in actuarial assumptions or methods;
- changes in statutory provisions; and
- difference between the contribution rates determined by the valuation and those adopted by the Board.

## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

### Summary of Key Valuation Results (Dollar amounts in thousands)

	December 31, 2013		December 31, 2012 (With Phase-in)	
<b>Aggregate Employer Contribution Rates:</b>				
<u>General</u>	<u>Total Rate</u>	Estimated <u>Annual Amount</u> <sup>(1)</sup>	<u>Total Rate</u> <sup>(2)</sup>	Estimated <u>Annual Amount</u> <sup>(1)</sup>
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	21.08%	\$14,054	20.91%	\$13,939
Rate Group #2 – Plans I, J, O, P, S, T and U	37.02	358,026	37.12	358,943
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)	34.46	21,752	36.32	22,929
Rate Group #5 – Plans A and B (OCTA)	27.03	27,421	26.62	27,004
Rate Group #9 – Plans M, N and U (TCA)	26.22	1,703	25.52	1,657
Rate Group #10 – Plans I, J, M, N and U (OCFA)	37.07	7,845	36.35	7,691
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	22.20	276	22.99	286
<u>Safety</u>				
Rate Group #6 – Plans E, F and V (Probation)	40.70%	\$25,987	40.50%	\$25,859
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	56.35	114,148	57.11	115,687
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)	49.84	55,291	49.66	55,091
<u>All Groups Combined</u>	39.05%	\$626,503	39.21%	\$629,086
<b>Average Member Contribution Rates:</b>				
<u>General</u>	<u>Total Rate</u>	Estimated <u>Annual Amount</u> <sup>(1)</sup>	<u>Total Rate</u> <sup>(3)</sup>	Estimated <u>Annual Amount</u> <sup>(1)</sup>
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	9.08%	\$6,054	9.03%	\$6,021
Rate Group #2 – Plans I, J, O, P, S, T and U	12.41	120,007	12.41	120,007
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)	12.50	7,891	12.48	7,878
Rate Group #5 – Plans A and B (OCTA)	9.74	9,881	9.53	9,668
Rate Group #9 – Plans M, N and U (TCA)	10.84	704	10.86	705
Rate Group #10 – Plans I, J, M, N and U (OCFA)	12.42	2,628	12.38	2,620
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	9.33	116	9.33	116
<u>Safety</u>				
Rate Group #6 – Plans E, F and V (Probation)	14.84%	\$9,476	14.82%	\$9,463
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	15.63	31,660	15.59	31,579
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)	14.86	16,484	14.90	16,529
<u>All Groups Combined</u>	12.77%	\$204,901	12.75%	\$204,586

<sup>(1)</sup> Based on December 31, 2013 projected annual compensation.

<sup>(2)</sup> For those Rate Groups with tier specific contribution rates, the total rates shown above have been recalculated by applying the tier specific contribution rates determined in the December 31, 2012 valuation to the corresponding projected payrolls reported as of December 31, 2013.

<sup>(3)</sup> Average rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2012 valuation to the System membership as of December 31, 2013.

## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

### Summary of Key Valuation Results (Dollar amounts in thousands)

	December 31, 2013		December 31, 2012 (Without Phase-in)	
<b>Aggregate Employer Contribution Rates:</b>				
<u>General</u>	<u>Total Rate</u>	Estimated <u>Annual Amount</u> <sup>(1)</sup>	<u>Total Rate</u> <sup>(2)</sup>	Estimated <u>Annual Amount</u> <sup>(1)</sup>
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	21.08%	\$14,054	22.40%	\$14,937
Rate Group #2 – Plans I, J, O, P, S, T and U	37.02	358,026	39.18	378,879
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)	34.46	21,752	38.21	24,117
Rate Group #5 – Plans A and B (OCTA)	27.03	27,421	28.31	28,719
Rate Group #9 – Plans M, N and U (TCA)	26.22	1,703	26.95	1,750
Rate Group #10 – Plans I, J, M, N and U (OCFA)	37.07	7,845	38.27	8,098
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	22.20	276	24.62	306
<u>Safety</u>				
Rate Group #6 – Plans E, F and V (Probation)	40.70%	\$25,987	43.15%	\$27,550
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	56.35	114,148	60.76	123,077
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)	49.84	55,291	52.82	58,594
<u>All Groups Combined</u>	39.05%	\$626,503	41.51%	\$666,027
<b>Average Member Contribution Rates:</b>				
<u>General</u>	<u>Total Rate</u>	Estimated <u>Annual Amount</u> <sup>(1)</sup>	<u>Total Rate</u> <sup>(3)</sup>	Estimated <u>Annual Amount</u> <sup>(1)</sup>
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	9.08%	\$6,054	9.03%	\$6,021
Rate Group #2 – Plans I, J, O, P, S, T and U	12.41	120,007	12.41	120,007
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)	12.50	7,891	12.48	7,878
Rate Group #5 – Plans A and B (OCTA)	9.74	9,881	9.53	9,668
Rate Group #9 – Plans M, N and U (TCA)	10.84	704	10.86	705
Rate Group #10 – Plans I, J, M, N and U (OCFA)	12.42	2,628	12.38	2,620
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	9.33	116	9.33	116
<u>Safety</u>				
Rate Group #6 – Plans E, F and V (Probation)	14.84%	\$9,476	14.82%	\$9,463
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	15.63	31,660	15.59	31,579
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)	14.86	16,484	14.90	16,529
<u>All Groups Combined</u>	12.77%	\$204,901	12.75%	\$204,586

<sup>(1)</sup> Based on December 31, 2013 projected annual compensation.

<sup>(2)</sup> For those Rate Groups with tier specific contribution rates, the total rates shown above have been recalculated by applying the tier specific contribution rates determined in the December 31, 2012 valuation to the corresponding projected payrolls reported as of December 31, 2013.

<sup>(3)</sup> Average rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2012 valuation to the System membership as of December 31, 2013.

**SECTION 1: Valuation Summary for the Orange County Employees Retirement System**

**Summary of Key Valuation Results – continued (Dollar amounts in thousands)**

	December 31, 2013	December 31, 2012
<b>Funded Status:</b>		
Actuarial accrued liability (AAL)	\$15,785,042	\$15,144,888
Valuation value of assets (VVA) <sup>(1)</sup>	10,417,125	9,469,208
Market value of assets (MVA) <sup>(1)</sup>	10,679,292	9,566,659
Funded percentage on a VVA basis	65.99%	62.52%
Funded percentage on a MVA basis	67.65%	63.17%
Unfunded Actuarial Accrued Liability on a VVA basis	\$5,367,917	\$5,675,680
Unfunded Actuarial Accrued Liability on a MVA basis	5,105,750	5,578,229
<b>Key Assumptions:</b>		
Interest rate	7.25%	7.25%
Inflation rate	3.25%	3.25%
Across-the-board real salary increase	0.50%	0.50%

<sup>(1)</sup> Excludes County Investment Account (funded by pension obligation bond proceeds held by OCERS), prepaid employer contributions account and non-valuation reserves.

## SECTION 1: Valuation Summary for the Orange County Employees Retirement System

### Summary of Key Valuation Demographic and Financial Data

	December 31, 2013	December 31, 2012	Percentage Change
<b>Active Members:</b>			
Number of members	21,368	21,256	0.5%
Average age	45.6	45.5	N/A
Average service	13.2	13.1	N/A
Projected total compensation	\$1,604,496,236	\$1,609,600,860	-0.3%
Average projected compensation	\$75,089	\$75,725	-0.8%
<b>Retired Member and Beneficiaries:</b>			
Number of members:			
Service retired	11,228	10,739	4.6%
Disability retired	1,334	1,319	1.1%
Beneficiaries	<u>1,943</u>	<u>1,889</u>	2.9%
Total	14,505	13,947	4.0%
Average age	69.2	69.0	N/A
Average monthly benefit <sup>(1)</sup>	\$3,366	\$3,247	3.7%
<b>Vested Terminated Members:</b>			
Number of vested terminated members <sup>(2)</sup>	4,613	4,415	4.5%
Average age	44.4	44.2	N/A
<b>Summary of Financial Data (dollar amounts in thousands):</b>			
Market value of assets <sup>(3)</sup>	\$10,679,507	\$9,566,874	11.6%
Return on market value of assets	10.73%	11.92%	N/A
Actuarial value of assets <sup>(3)</sup>	\$10,417,340	\$9,469,423	10.0%
Return on actuarial value of assets	9.11%	3.49%	N/A
Valuation value of assets <sup>(3)</sup>	\$10,417,125	\$9,469,208	10.0%
Return on valuation value of assets	9.11%	3.49%	N/A

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

<sup>(2)</sup> This includes members who chose to leave their contributions on deposit even though they have less than five years of service.

<sup>(3)</sup> The market value excludes \$109,254,000 and \$103,261,000 as of December 31, 2013 and December 31, 2012, respectively, in the County Investment Account (funded by pension obligation bond proceeds held by OCERS) and \$172,348,000 and \$177,632,000 as of December 31, 2013 and December 31, 2012, respectively, in the prepaid employer contributions account.

Note that the above market values and actuarial values include the non-valuation reserves, which are excluded from the valuation values.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

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**A. MEMBER DATA**

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

*A historical perspective of how the member population has changed over the past ten valuations can be seen in this chart.*

**CHART 1**

**Member Population: 2004 – 2013**

<b>Year Ended December 31</b>	<b>Active Members</b>	<b>Vested Terminated Members*</b>	<b>Retired Members and Beneficiaries</b>	<b>Ratio of Non-Actives to Actives</b>
2004	22,502	1,910	9,433	0.50
2005	22,467	2,466	10,218	0.56
2006	22,791	3,195	10,915	0.62
2007	23,618	3,646	11,421	0.64
2008	23,720	3,881	11,778	0.66
2009	22,633	4,094	12,243	0.72
2010	21,742	4,308	12,762	0.79
2011	21,421	4,406	13,289	0.83
2012	21,256	4,415	13,947	0.86
2013	21,368	4,613	14,505	0.89

*\*Includes terminated members due a refund of member contributions.*

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**Active Members**

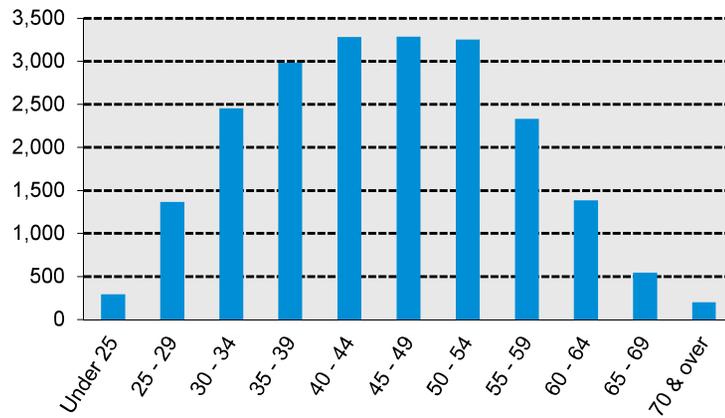
Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 21,368 active members with an average age of 45.6, average years of service of 13.2 years, and average compensation of \$75,089. The 21,256 active members in the prior valuation had an average age of 45.5, average service of 13.1 years, and average compensation of \$75,725.

**Inactive Members**

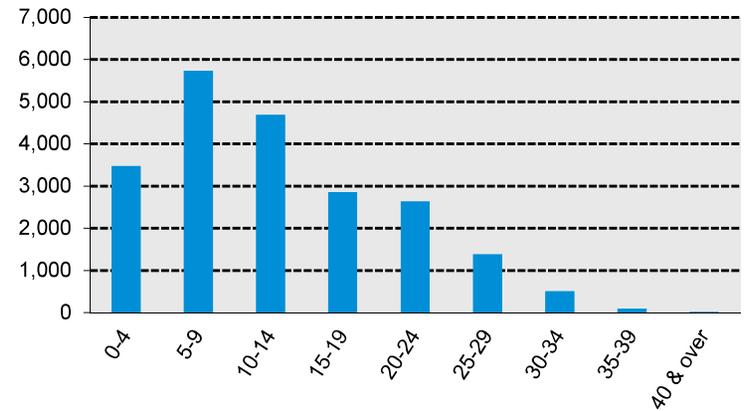
In this year's valuation, there were 4,613 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 4,415 in the prior valuation.

*These graphs show a distribution of active members by age and by years of service.*

**CHART 2**  
**Distribution of Active Members by Age as of December 31, 2013**



**CHART 3**  
**Distribution of Active Members by Years of Service as of December 31, 2013**



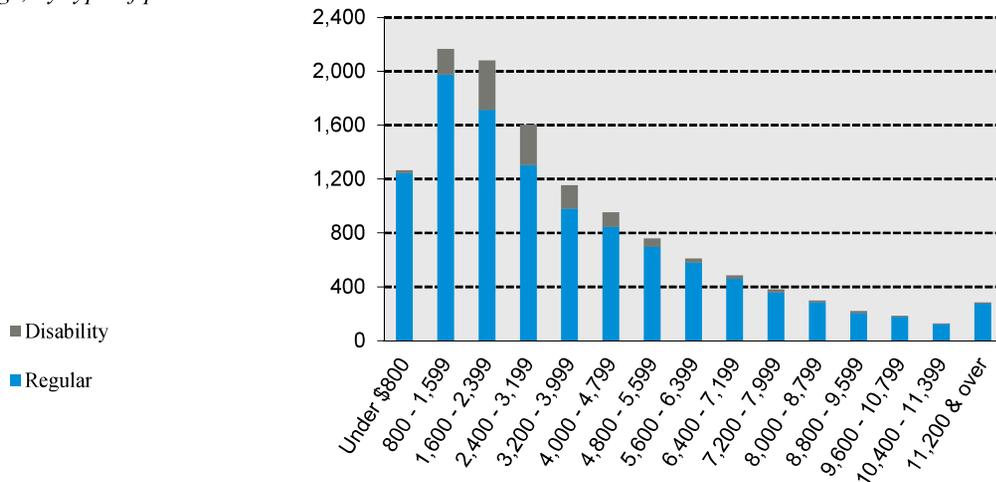
**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**Retired Members and Beneficiaries**

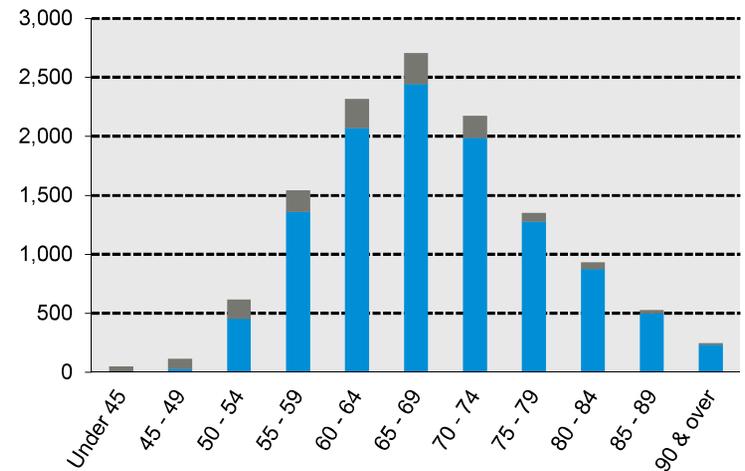
As of December 31, 2013, 12,562 retired members and 1,943 beneficiaries were receiving total monthly benefits of \$48,822,169. For comparison, in the previous valuation, there were 12,058 retired members and 1,889 beneficiaries receiving total monthly benefits of \$45,292,112. These monthly benefits exclude benefits payable from the Supplemental Targeted Adjustment for Retirees Cost of Living Adjustment (STAR COLA).

*These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.*

**CHART 4**  
**Distribution of Retired Members (Excl. Beneficiaries) by Type and by Monthly Amount as of December 31, 2013**



**CHART 5**  
**Distribution of Retired Members (Excl. Beneficiaries) by Type and by Age as of December 31, 2013**



**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

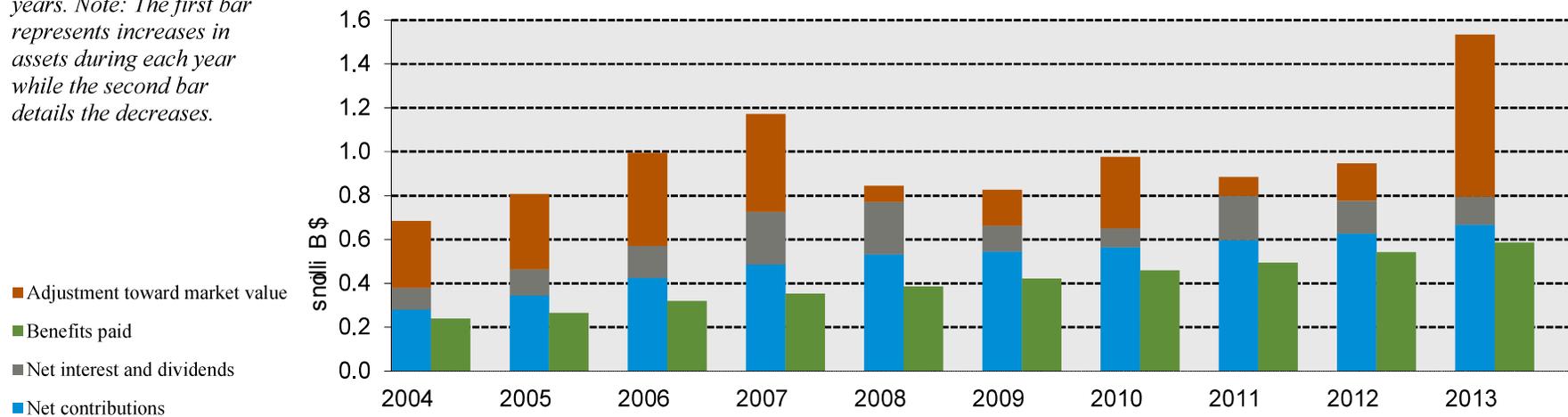
**B. FINANCIAL INFORMATION**

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

*The chart depicts the components of changes in the actuarial value of assets over the past ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.*

**CHART 6**  
**Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2004 – 2013**



**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets does not have an immediate effect on the actuarial value of assets. The determination of the Actuarial Value of Assets and Valuation Value of Assets is provided below.

**CHART 7**

**Determination of Actuarial and Valuation Value of Assets for Year Ended December 31, 2013**

*The chart shows the determination of the actuarial value of assets as of the valuation date.*

Plan Year Ending	Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain / (Loss)	Deferred Factor	Deferred Return
2009	\$1,092,660,000	\$489,051,000	\$603,609,000	0.0	\$0
2010	787,215,000	582,621,000	204,594,000	0.2	40,919,000
2011	3,236,000	651,782,000	(648,546,000)	0.4	(259,418,000)
2012	1,014,471,000	659,447,000	355,024,000	0.6	213,014,000
2013	1,031,118,000	696,553,000	334,565,000	0.8	<u>267,652,000</u>
1. Total Deferred Return					\$262,167,000
2. Net Market Value Of Assets (Excludes \$109,254,000 in County Investment Account (funded by pension obligation bond proceeds held by OCERS) and \$172,348,000 in Prepaid Employer Contributions)					\$10,679,507,000 <sup>(1)</sup>
3. Actuarial Value of Assets (2) – (1)					\$10,417,340,000
4. Ratio of Actuarial Value To Market Value (3) / (2)					98%
5. Non-valuation Reserves					
(a) Unclaimed member deposit					\$123,000
(b) Medicare medical insurance reserve					<u>92,000</u>
(c) Subtotal					\$215,000
6. Valuation value of assets (3) – (5)(c)					\$10,417,125,000
7. Deferred Return Recognized in Each of the Next 4 years					
(a) Amount recognized on 12/31/2014					\$49,127,667
(b) Amount recognized on 12/31/2015					8,208,667
(c) Amount recognized on 12/31/2016					137,917,666
(d) Amount recognized on 12/31/2017					<u>66,913,000</u>
(e) Subtotal (may not total exactly due to rounding)					\$262,167,000

<sup>(1)</sup> Based on the preliminary unaudited financial statement provided by OCERS for this valuation.

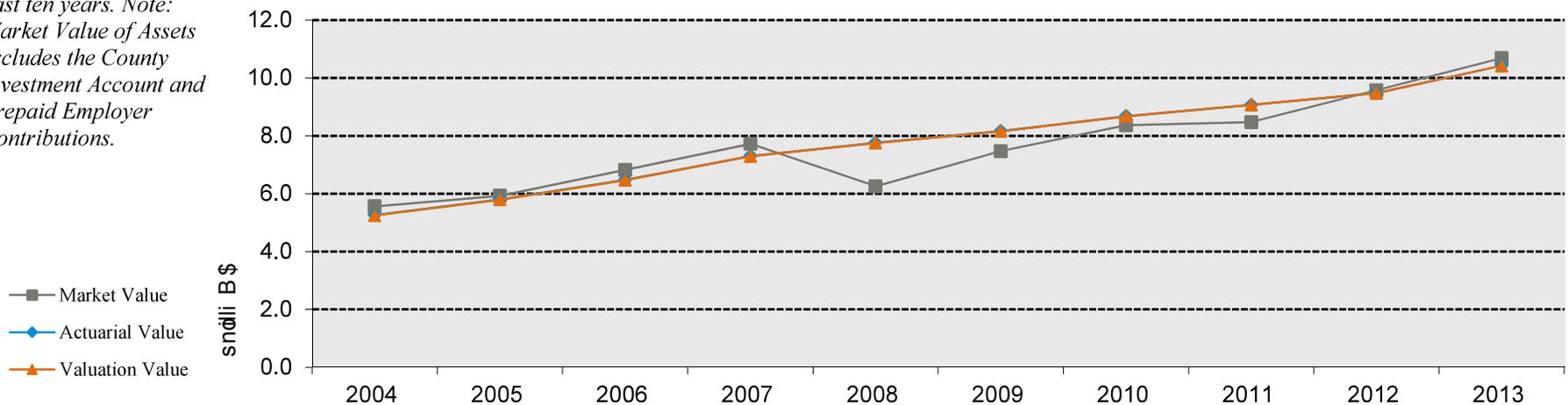
## SECTION 2: Valuation Results for the Orange County Employees Retirement System

The market value, actuarial value, and valuation value of assets are representations of OCERS' financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation value of assets is significant because OCERS' liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

*This chart shows the change in market value, actuarial value and valuation value over the past ten years. Note: Market Value of Assets excludes the County Investment Account and Prepaid Employer Contributions.*

**CHART 8**

**Market Value, Actuarial Value and Valuation Value of Assets as of December 31, 2004 – 2013**



## SECTION 2: Valuation Results for the Orange County Employees Retirement System

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### C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will

return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience gain was \$501.6 million, a gain of \$176.9 million from investments and a gain of \$324.7 million from all other sources. A discussion of the major components of the actuarial experience is on the following pages.

*This chart provides a summary of the actuarial experience during the past year.*

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### CHART 9

#### Actuarial Experience for Year Ended December 31, 2013 (Dollar Amounts in Thousands)

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1. Net gain/(loss) from investments <sup>(1)</sup>	\$176,930
2. Net gain/(loss) from other experience <sup>(2)</sup>	<u>324,680</u>
3. Net experience gain/(loss): (1) + (2)	<u>\$501,610</u>

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<sup>(1)</sup> Details in Chart 10.

<sup>(2)</sup> See Section 3, Exhibit H.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

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**Investment Rate of Return**

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on OCERS’ investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets was 7.25% (based on the December 31, 2012 valuation). The actual rate of return on a valuation basis for the 2013 plan year was 9.11%.

Since the actual return for the year was more than the assumed return, OCERS experienced an actuarial gain during the year ended December 31, 2013 with regard to its investments.

*This chart shows the gain/(loss) due to investment experience.*

**CHART 10**  
**Investment Experience for Year Ended December 31, 2013 – Valuation Value and Actuarial Value of Assets**

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	<b>Valuation Value</b>	<b>Actuarial Value</b>	<b>Market Value</b>
1. Actual return	\$866,402,000	\$866,402,000	\$1,031,118,000
2. Average value of assets	\$9,509,965,000	\$9,510,180,000	\$9,607,632,000
3. Actual rate of return: (1) ÷ (2)	9.11%	9.11%	10.73%
4. Assumed rate of return	7.25%	7.25%	7.25%
5. Expected return: (2) x (4)	\$689,472,000	\$689,488,000	\$696,553,000
6. Actuarial gain/(loss): (1) – (5)	<u>\$176,930,000</u>	<u>\$176,914,000</u>	<u>\$334,565,000</u>

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## SECTION 2: Valuation Results for the Orange County Employees Retirement System

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last ten years.

### CHART 11

#### Investment Return – Actuarial Value, Valuation Value and Market Value: (Dollar Amounts in Thousands)

Year Ended December 31	Valuation Value Investment Return		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent
2004	\$411,453	8.55%	\$403,652	8.35%	\$544,457	11.26%
2005	449,620	8.50%	461,972	8.72%	441,178	8.11%
2006	565,491	9.68%	568,254	9.71%	787,330	13.17%
2007	683,212	10.45%	685,780	10.49%	769,613	11.18%
2008	312,821	4.25%	311,887	4.23%	(1,617,791)	-20.76%
2009	282,764	3.62%	281,360	3.60%	1,092,660	17.32%
2010	412,046	5.02%	411,960	5.02%	787,215	10.47%
2011	287,241	3.29%	286,585	3.28%	3,236	0.04%
2012	318,043	3.49%	318,033	3.49%	1,014,471	11.92%
2013	866,402	9.11%	866,402	9.11%	1,031,118	10.73%
5-Year Average Return		4.88%		4.88%		9.95%
10-Year Average Return		6.56%		6.56%		6.78%

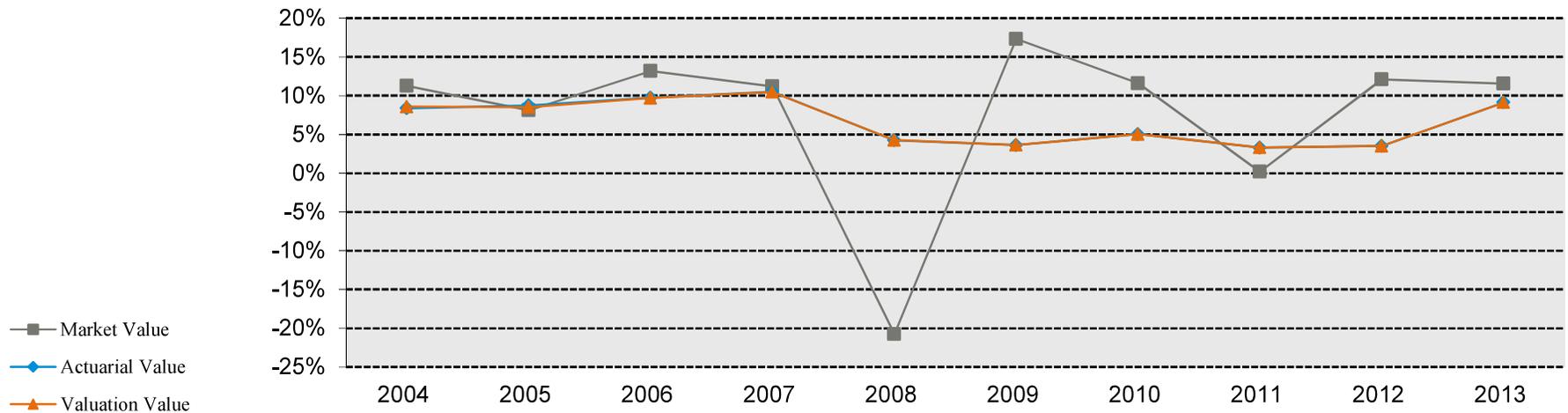
*Note: The dollar amount of return on market value is net of the return on the County Investment Account (funded by pension obligation bond proceeds held by OCERS) and prepaid employer contributions account. Furthermore, due to differences in how returns are calculated, these market value rates of return will generally differ somewhat from the return reported by OCERS and its investment consultant.*

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

*This chart illustrates how this leveling effect has actually worked over the past ten years.*

**CHART 12**  
**Market, Actuarial, and Valuation Value Rates of Return for Years Ended December 31, 2004 – 2013**



## SECTION 2: Valuation Results for the Orange County Employees Retirement System

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### **Other Experience**

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- actual turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),

- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended December 31, 2013 amounted to \$324.7 million which is 2.06% of the actuarial accrued liability. See Exhibit H in Section 3 for a detailed development of the Unfunded Actuarial Accrued Liability.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

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### D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

#### *Normal Cost*

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.

For Probation Safety members who have prior benefit service in the General OCERS plan, the normal cost rate for their current plan is calculated based on the entry date for their current plan.

#### *Contribution to the Unfunded*

##### *Actuarial Accrued Liability (UAAL)*

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.75% (i.e., 3.25% inflation plus 0.50% across-the-board salary increase). The outstanding balance of the December 31, 2012 UAAL is combined and re-amortized over a declining 20-year period. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.

The recommended employer contributions are provided in Chart 13.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

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### Member Contributions

#### *Non-CalPEPRA Members*

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to:

- 1/200 of Final Average Salary for General Plan A;
- 1/120 of Final Average Salary for General Plan B;
- 1/100 of Final Average Salary for General Plans G, H, I, J, and S;
- 1/120 of Final Average Salary for General Plans M, N, O, and P;
- 1/200 of Final Average Salary for Safety Plan E and Q, and;
- 1/100 of Final Average Salary for Safety Plan F and R.

The annuity age is 60 for General Plans A, B, M, N, O, P and S, 55 for Plans G, H, I, and J, and 50 for Safety Plans E, F, Q, and R. It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to the basic contributions, members pay one-half of the total normal cost necessary to fund cost-of-living benefits. Accumulation includes crediting of interest at the assumed investment earnings rate.

Consistent with the practice since the Ventura Settlement, for determining the cost of basic benefit (i.e., non-COLA component), the effect of the assumed additional cashouts are currently recognized in the valuation only as an employer cost and do not affect member contribution rates. The assumed additional cashouts are only used in establishing cost-of-living member contributions.

The additional cashout assumptions will be used in developing the basic member rates starting with the next valuation as of December 31, 2014.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

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### *CalPEPRA Members*

Pursuant to Section 7522.30(a) of the Government Code, CalPEPRA members in Plans T, U and V are required to contribute at least 50% of the Normal Cost rate. We have assumed that exactly 50% of the Normal Cost would be paid by the new members. Also of note is that based on our recommendation, OCERS has decided to use the discretion made recently available by AB1380 to no longer round the member's contribution rate to the nearest ¼% as previously required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA).

Note that for members in Plan T, their basic rates have been calculated using a methodology similar to that used for Plan P. For members in Plan U or Plan V, their basic rates have been calculated using a methodology outlined in our letter dated December 4, 2012 that was previously approved by the Board.

Member contribution rates are provided in Appendix B.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #1 – Plans A and B (2.0% @ 57 and 1.6667% @ 57.5 – non-OCTA, non-OCSD)</b>				
Normal Cost	9.82%	\$5,322	9.68%	\$5,246
UAAL <sup>(2)</sup>	<u>11.34%</u>	<u>6,146</u>	<u>12.91%</u>	<u>6,997</u>
Total Contribution	21.16%	\$11,468	22.59%	\$12,243
Total Contribution After 2-Year Phase-In	N/A	N/A	21.04%	\$11,403
<b>Rate Group #1 – Plan U (2.5% @ 67 PEPR) <sup>(3)</sup></b>				
Normal Cost	9.39%	\$1,171	8.68%	\$1,083
UAAL <sup>(2)</sup>	<u>11.34%</u>	<u>1,415</u>	<u>12.91%</u>	<u>1,611</u>
Total Contribution	20.73%	\$2,586	21.59%	\$2,694
Total Contribution After 2-Year Phase-In	N/A	N/A	20.33%	\$2,536
<b>Rate Group #1 – Plans A, B and U Combined</b>				
Normal Cost	9.74%	\$6,493	9.49%	\$6,329
UAAL <sup>(2)</sup>	<u>11.34%</u>	<u>7,561</u>	<u>12.91%</u>	<u>8,608</u>
Total Contribution	21.08%	\$14,054	22.40%	\$14,937
Total Contribution After 2-Year Phase-In	N/A	N/A	20.91%	\$13,939

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 13 (Continued)**

**Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)**

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #2 – Plans I and J (2.7% @ 55 – non-OCFA)</b>				
Normal Cost	13.66%	\$125,483	13.69%	\$125,758
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>217,895</u>	<u>25.85%</u>	<u>237,462</u>
Total Contribution	37.38%	\$343,378	39.54%	\$363,220
Total Contribution After 2-Year Phase-In	N/A	N/A	37.45%	\$344,021
<b>Rate Group #2 – Plans O and P (1.62% @ 65)</b>				
Normal Cost	5.61%	\$795	5.56%	\$788
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>3,362</u>	<u>25.85%</u>	<u>3,664</u>
Total Contribution	29.33%	\$4,157	31.41%	\$4,452
Total Contribution After 2-Year Phase-In	N/A	N/A	29.84%	\$4,230
<b>Rate Group #2 – Plan S (2.0% @ 57)</b>				
Normal Cost	12.46%	\$43	12.10%	\$42
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>83</u>	<u>25.85%</u>	<u>90</u>
Total Contribution	36.18%	\$126	37.95%	\$132
Total Contribution After 2-Year Phase-In	N/A	N/A	35.96%	\$126

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

Note: For employers with future service only benefit improvements under 2.7% @ 55, refer to the employer rate adjustment on page 27.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #2 – Plan T (1.62% @ 65 PEPRA) <sup>(3)</sup></b>				
Normal Cost	6.70%	\$2,055	6.78%	\$2,079
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>7,274</u>	<u>25.85%</u>	<u>7,927</u>
Total Contribution	30.42%	\$9,329	32.63%	\$10,006
Total Contribution After 2-Year Phase-In	N/A	N/A	31.10%	\$9,537
<b>Rate Group #2 – Plan U (2.5% @ 67 PEPRA) <sup>(4)</sup></b>				
Normal Cost	8.56%	\$275	7.44%	\$239
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>761</u>	<u>25.85%</u>	<u>830</u>
Total Contribution	32.28%	\$1,036	33.29%	\$1,069
Total Contribution After 2-Year Phase-In	N/A	N/A	32.05%	\$1,029
<b>Rate Group #2 – Plans I, J, O, P, S, T and U Combined</b>				
Normal Cost	13.30%	\$128,651	13.33%	\$128,906
UAAL <sup>(2)</sup>	<u>23.72%</u>	<u>229,375</u>	<u>25.85%</u>	<u>249,973</u>
Total Contribution	37.02%	\$358,026	39.18%	\$378,879
Total Contribution After 2-Year Phase-In	N/A	N/A	37.12%	\$358,943

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013 except for County Attorneys, San Juan Capistrano employees and OCERS management employees.

<sup>(4)</sup> Applicable for County Attorneys, San Juan Capistrano employees and OCERS management employees hired on or after January 1, 2013.

Note: For employers with future service only benefit improvements under 2.7% @ 55, refer to the employer rate adjustment on page 27.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #3 – Plans G and H (2.5% @ 55)</b>				
Normal Cost	12.89%	\$7,226	12.88%	\$7,221
UAAL <sup>(2)</sup>	<u>21.87%</u>	<u>12,260</u>	<u>25.60%</u>	<u>14,351</u>
Total Contribution	34.76%	\$19,486	38.48%	\$21,572
Total Contribution After 2-Year Phase-In	N/A	N/A	36.57%	\$20,501
<b>Rate Group #3 – Plan B (1.64% @ 57 – OCSD)</b>				
Normal Cost	10.53%	\$467	11.02%	\$489
UAAL <sup>(2)</sup>	<u>21.87%</u>	<u>970</u>	<u>25.60%</u>	<u>1,136</u>
Total Contribution	32.40%	\$1,437	36.62%	\$1,625
Total Contribution After 2-Year Phase-In	N/A	N/A	34.87%	\$1,547
<b>Rate Group #3 – Plan U (2.5% @ 67 PEPR) <sup>(3)</sup></b>				
Normal Cost	9.66%	\$254	9.38%	\$247
UAAL <sup>(2)</sup>	<u>21.87%</u>	<u>575</u>	<u>25.60%</u>	<u>673</u>
Total Contribution	31.53%	\$829	34.98%	\$920
Total Contribution After 2-Year Phase-In	N/A	N/A	33.52%	\$881
<b>Rate Group #3 – Plans B, G, H and U Combined</b>				
Normal Cost	12.59%	\$7,947	12.61%	\$7,957
UAAL <sup>(2)</sup>	<u>21.87%</u>	<u>13,805</u>	<u>25.60%</u>	<u>16,160</u>
Total Contribution	34.46%	\$21,752	38.21%	\$24,117
Total Contribution After 2-Year Phase-In	N/A	N/A	36.32%	\$22,929

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

Note: For employers with future service only benefit improvements under 2.5% @ 55, refer to the employer rate adjustment on page 27.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 13 (Continued)**

**Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)**

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #5 – Plans A and B (2.0% @ 57 and 1.6667% @ 57.5 – OCTA)</b>				
Normal Cost	11.81%	\$11,981	11.83%	\$12,001
UAAL <sup>(2)</sup>	<u>15.22%</u>	<u>15,440</u>	<u>16.48%</u>	<u>16,718</u>
Total Contribution	27.03%	\$27,421	28.31%	\$28,719
Total Contribution After 2-Year Phase-In	N/A	N/A	26.62%	\$27,004

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #9 – Plans M and N (2.0% @ 55 – TCA)</b>				
Normal Cost	14.13%	\$854	14.20%	\$859
UAAL <sup>(2)</sup>	<u>12.28%</u>	<u>743</u>	<u>12.97%</u>	<u>784</u>
Total Contribution	26.41%	\$1,597	27.17%	\$1,643
Total Contribution After 2-Year Phase-In	N/A	N/A	25.71%	\$1,555
<b>Rate Group #9 – Plan U (2.5% @ 67 PEPR) <sup>(3)</sup></b>				
Normal Cost	11.40%	\$51	10.97%	\$49
UAAL <sup>(2)</sup>	<u>12.28%</u>	<u>55</u>	<u>12.97%</u>	<u>58</u>
Total Contribution	23.68%	\$106	23.94%	\$107
Total Contribution After 2-Year Phase-In	N/A	N/A	22.87%	\$102
<b>Rate Group #9 – Plans M, N and U Combined</b>				
Normal Cost	13.94%	\$905	13.98%	\$908
UAAL <sup>(2)</sup>	<u>12.28%</u>	<u>798</u>	<u>12.97%</u>	<u>842</u>
Total Contribution	26.22%	\$1,703	26.95%	\$1,750
Total Contribution After 2-Year Phase-In	N/A	N/A	25.52%	\$1,657

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #10 – Plans I and J (2.7% @ 55 – OCFA)</b>				
Normal Cost	14.06%	\$2,513	13.92%	\$2,488
UAAL <sup>(2)</sup>	<u>23.34%</u>	<u>4,172</u>	<u>24.76%</u>	<u>4,426</u>
Total Contribution	37.40%	\$6,685	38.68%	\$6,914
Total Contribution After 2-Year Phase-In	N/A	N/A	36.70%	\$6,560
<b>Rate Group #10 – Plans M and N (2.0% @ 55 – OCFA)</b>				
Normal Cost	14.15%	\$235	14.01%	\$233
UAAL <sup>(2)</sup>	<u>23.34%</u>	<u>388</u>	<u>24.76%</u>	<u>411</u>
Total Contribution	37.49%	\$623	38.77%	\$644
Total Contribution After 2-Year Phase-In	N/A	N/A	36.99%	\$614
<b>Rate Group #10 – Plan U (2.5% @ 67 PEPRA) <sup>(3)</sup></b>				
Normal Cost	9.71%	\$158	8.50%	\$138
UAAL <sup>(2)</sup>	<u>23.34%</u>	<u>379</u>	<u>24.76%</u>	<u>402</u>
Total Contribution	33.05%	\$537	33.26%	\$540
Total Contribution After 2-Year Phase-In	N/A	N/A	31.81%	\$517
<b>Rate Group #10 – Plans I, J, M, N and U Combined</b>				
Normal Cost	13.73%	\$2,906	13.51%	\$2,859
UAAL <sup>(2)</sup>	<u>23.34%</u>	<u>4,939</u>	<u>24.76%</u>	<u>5,239</u>
Total Contribution	37.07%	\$7,845	38.27%	\$8,098
Total Contribution After 2-Year Phase-In	N/A	N/A	36.35%	\$7,691

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 13 (Continued)**

**Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)**

General Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #11 – Plans M and N, future service (2.0% @ 55 – Cemetery)</b>				
Normal Cost	12.33%	\$153	12.34%	\$153
UAAL <sup>(2)</sup>	<u>9.87%</u>	<u>123</u>	<u>12.28%</u>	<u>153</u>
Total Contribution	22.20%	\$276	24.62%	\$306
Total Contribution After 2-Year Phase-In	N/A	N/A	22.99%	\$286
<b>Rate Group #11 – Plan U (2.5% @ 67 PEPR) <sup>(3)</sup></b>				
Normal Cost	8.66%	N/A	8.66%	N/A
UAAL <sup>(2)</sup>	<u>9.87%</u>	N/A	<u>12.28%</u>	N/A
Total Contribution	18.53%	N/A	20.94%	N/A
Total Contribution After 2-Year Phase-In	N/A	N/A	19.63%	N/A
<b>Rate Group #11 – Plans M, N and U Combined</b>				
Normal Cost	12.33%	\$153	12.34%	\$153
UAAL <sup>(2)</sup>	<u>9.87%</u>	<u>123</u>	<u>12.28%</u>	<u>153</u>
Total Contribution	22.20%	\$276	24.62%	\$306
Total Contribution After 2-Year Phase-In	N/A	N/A	22.99%	\$286

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

Safety Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #6 – Plans E and F (3% @ 50 – Probation)</b>				
Normal Cost	21.00%	\$13,368	21.26%	\$13,533
UAAL <sup>(2)</sup>	<u>19.72%</u>	<u>12,553</u>	<u>21.91%</u>	<u>13,947</u>
Total Contribution	40.72%	\$25,921	43.17%	\$27,480
Total Contribution After 2-Year Phase-In	N/A	N/A	40.52%	\$25,793
<b>Rate Group #6 – Plan V (2.7% @ 57 PEPR) <sup>(3)</sup></b>				
Normal Cost	13.95%	\$27	13.91%	\$27
UAAL <sup>(2)</sup>	<u>19.72%</u>	<u>39</u>	<u>21.91%</u>	<u>43</u>
Total Contribution	33.67%	\$66	35.82%	\$70
Total Contribution After 2-Year Phase-In	N/A	N/A	33.40%	\$66
<b>Rate Group #6 – Plans E, F and V Combined</b>				
Normal Cost	20.98%	\$13,395	21.24%	\$13,560
UAAL <sup>(2)</sup>	<u>19.72%</u>	<u>12,592</u>	<u>21.91%</u>	<u>13,990</u>
Total Contribution	40.70%	\$25,987	43.15%	\$27,550
Total Contribution After 2-Year Phase-In	N/A	N/A	40.50%	\$25,859

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

Safety Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #7 – Plans E and F (3% @ 50 – Law Enforcement)</b>				
Normal Cost	24.23%	\$41,349	24.24%	\$41,366
UAAL <sup>(2)</sup>	<u>32.47%</u>	<u>55,410</u>	<u>36.71%</u>	<u>62,646</u>
Total Contribution	56.70%	\$96,759	60.95%	\$104,012
Total Contribution After 2-Year Phase-In	N/A	N/A	57.27%	\$97,732
<b>Rate Group #7 – Plans Q and R (3% @ 55 – Law Enforcement)</b>				
Normal Cost	22.58%	\$6,031	24.20%	\$6,464
UAAL <sup>(2)</sup>	<u>32.47%</u>	<u>8,672</u>	<u>36.71%</u>	<u>9,805</u>
Total Contribution	55.05%	\$14,703	60.91%	\$16,269
Total Contribution After 2-Year Phase-In	N/A	N/A	57.37%	\$15,323
<b>Rate Group #7 – Plan V (2.7% @ 57 PEPR) <sup>(3)</sup></b>				
Normal Cost	19.17%	\$997	17.05%	\$887
UAAL <sup>(2)</sup>	<u>32.47%</u>	<u>1,689</u>	<u>36.71%</u>	<u>1,909</u>
Total Contribution	51.64%	\$2,686	53.76%	\$2,796
Total Contribution After 2-Year Phase-In	N/A	N/A	50.61%	\$2,632
<b>Rate Group #7 – Plans E, F, Q, R and V Combined</b>				
Normal Cost	23.88%	\$48,377	24.05%	\$48,717
UAAL <sup>(2)</sup>	<u>32.47%</u>	<u>65,771</u>	<u>36.71%</u>	<u>74,360</u>
Total Contribution	56.35%	\$114,148	60.76%	\$123,077
Total Contribution After 2-Year Phase-In	N/A	N/A	57.11%	\$115,687

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

Safety Employers	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Group #8 – Plans E and F (3% @ 50 – Fire Authority)</b>				
Normal Cost	25.86%	\$27,971	26.16%	\$28,295
UAAL <sup>(2)</sup>	<u>24.14%</u>	<u>26,111</u>	<u>26.84%</u>	<u>29,031</u>
Total Contribution	50.00%	\$54,082	53.00%	\$57,326
Total Contribution After 2-Year Phase-In	N/A	N/A	49.83%	\$53,898
<b>Rate Group #8 – Plans Q and R (3% @ 55 – Fire Authority)</b>				
Normal Cost	21.70%	\$332	21.12%	\$323
UAAL <sup>(2)</sup>	<u>24.14%</u>	<u>369</u>	<u>26.84%</u>	<u>410</u>
Total Contribution	45.84%	\$701	47.96%	\$733
Total Contribution After 2-Year Phase-In	N/A	N/A	44.85%	\$686
<b>Rate Group #8 – Plan V (2.7% @ 57 PEPR) <sup>(3)</sup></b>				
Normal Cost	16.85%	\$209	16.41%	\$203
UAAL <sup>(2)</sup>	<u>24.14%</u>	<u>299</u>	<u>26.84%</u>	<u>332</u>
Total Contribution	40.99%	\$508	43.25%	\$535
Total Contribution After 2-Year Phase-In	N/A	N/A	40.96%	\$507
<b>Rate Group #8 – Plans E, F, Q, R and V Combined</b>				
Normal Cost	25.70%	\$28,512	25.98%	\$28,821
UAAL <sup>(2)</sup>	<u>24.14%</u>	<u>26,779</u>	<u>26.84%</u>	<u>29,773</u>
Total Contribution	49.84%	\$55,291	52.82%	\$58,594
Total Contribution After 2-Year Phase-In	N/A	N/A	49.66%	\$55,091

<sup>(1)</sup> See page 26 for projected annual compensation.

<sup>(2)</sup> UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

<sup>(3)</sup> Applicable for members hired on or after January 1, 2013.

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

### CHART 13 (Continued)

#### Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)

General and Safety Combined	December 31, 2013 Valuation		December 31, 2012 Valuation	
	Rate	Estimated Annual Amount <sup>(1)</sup>	Rate	Estimated Annual Amount <sup>(1)</sup>
<b>Rate Groups #1 – #11</b>				
Total Contribution	39.05%	\$626,503	41.51%	\$666,027
Total Contribution After 2-Year Phase-In	N/A	N/A	39.21%	\$629,086

<sup>(1)</sup> Based on December 31, 2013 projected annual compensation (also in thousands):

Rate Group #1 – Plans A and B	\$54,197
Rate Group #1 – Plan U	12,476
Rate Group #2 – Plans I and J	918,615
Rate Group #2 – Plans O and P	14,174
Rate Group #2 – Plan S	349
Rate Group #2 – Plan T	30,667
Rate Group #2 – Plan U	3,210
Rate Group #3 – Plans G and H	56,060
Rate Group #3 – Plan B	4,436
Rate Group #3 – Plan U	2,629
Rate Group #5 – Plans A and B	101,444
Rate Group #9 – Plans M and N	6,047
Rate Group #9 – Plan U	446
Rate Group #10 – Plans I and J	17,876
Rate Group #10 – Plans M and N	1,661
Rate Group #10 – Plan U	1,624
Rate Group #11 – Plans M and N	1,242
Rate Group #11 – Plan U	0
Rate Group #6 – Plans E and F	63,655
Rate Group #6 – Plan V	197
Rate Group #7 – Plans E and F	170,651
Rate Group #7 – Plans Q and R	26,709
Rate Group #7 – Plan V	5,201
Rate Group #8 – Plans E and F	108,163
Rate Group #8 – Plans Q and R	1,529
Rate Group #8 – Plan V	<u>1,238</u>
Total	\$1,604,496

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 13 (Continued)**

**Recommended Employer Contribution Rates as of December 31, 2013 (Dollar Amounts in Thousands)**

**December 31, 2013 Rate Adjustment for General Employers with 2.7% @ 55 – Rate Group #2  
Future Service Only Benefit Improvement (Plans I and J)**

<b>Reduction to UAAL Rate Calculated in December 31, 2013 Valuation</b>	<u>Rate</u>	Estimated Annual <u>Amount<sup>(1)</sup></u>
Reduction to Total Contribution	-1.59%	-\$68

<sup>(1)</sup> Based on December 31, 2013 projected annual compensation (also in thousands):

Retirement System	\$3,032
Local Agency Formation Commission	253
Children & Family Commission	<u>970</u>
Total	\$4,255

**December 31, 2013 Rate Adjustment for General Employers with 2.5% @ 55 – Rate Group #3  
Future Service Only Benefit Improvement (Plans G and H)**

<b>Reduction to UAAL Rate Calculated in December 31, 2013 Valuation</b>	<u>Rate</u>	Estimated Annual <u>Amount<sup>(2)</sup></u>
Reduction to Total Contribution	-3.58%	-\$45

<sup>(2)</sup> Based on December 31, 2013 projected annual compensation (also in thousands):

Law Library	\$1,257
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**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 14**

**“Pick – Up” - Discount Percentages**

For every dollar of member contribution “picked up” by the employer and not deposited in the member’s contribution account, the employer can contribute less than a dollar. This is because the “pick-up” amount is not deposited in the member’s contribution account and so is not payable to a member who withdraws his or her contributions following termination of employment, and is not payable as an additional death benefit. The contribution discount percentages are as follows:

	December 31, 2013 Valuation Pick-Up Percentage		December 31, 2012 Valuation Pick-Up Percentage	
<i>General Members</i>				
Rate Group #1 Plan A/B (non-OCTA, non-OCSD)	Plan A: 97.73%	Plan B: 93.86%	Plan A: 97.85%	Plan B: 93.15%
Rate Group #1 Plan U (non-OCTA, non-OCSD)		Plan U: 93.25%		Plan U: 90.72%
Rate Group #2 (2.7% @ 55 – non-OCFA)	Plan I: 97.49%	Plan J: 94.46%	Plan I: 97.36%	Plan J: 94.29%
Rate Group #2 (1.62% @ 65)	Plan O: Not calculated	Plan P: 92.82%	Plan O: Not calculated	Plan P: 92.25%
Rate Group #2 (2.0% @ 57)		Plan S: 92.56%		Plan S: 92.05%
Rate Group #2 (1.62% @ 65 PEPRA)		Plan T: 91.49%		Plan T: 91.68%
Rate Group #2 (2.5% @ 67 PEPRA)		Plan U: 93.17%		Plan U: 91.01%
Rate Group #3 (2.5% @ 55)	Plan G: 96.58%	Plan H: 95.15%	Plan G: 96.74%	Plan H: 95.02%
Rate Group #3 (1.64% @ 57)		Plan B: 92.86%		Plan B: 92.55%
Rate Group #3 (2.5% @ 67 PEPRA)		Plan U: 93.83%		Plan U: 92.03%
Rate Group #5 Plan A/B (OCTA)	Plan A: 98.74%	Plan B: 94.53%	Plan A: 98.53%	Plan B: 94.59%
Rate Group #9 (2.0% @ 55 – TCA)	Plan M: 95.19%	Plan N: 95.19%	Plan M: 95.00%	Plan N: 95.00%
Rate Group #9 (2.5% @ 67 PEPRA)		Plan U: 94.44%		Plan U: 93.93%
Rate Group #10 (2.7% @ 55 – OCFA)	Plan I: Not calculated	Plan J: 95.00%	Plan I: Not calculated	Plan J: 94.79%
Rate Group #10 (2.0% @ 55 – OCFA)	Plan M: Not calculated	Plan N: 93.77%	Plan M: Not calculated	Plan N: 92.89%
Rate Group #10 (2.5% @ 67 PEPRA – OCFA)		Plan U: 93.70%		Plan U: 92.93%
Rate Group #11 (2.0% @ 55 – Cemetery)	Plan M: 94.55%	Plan N: 94.55%	Plan M: 94.43%	Plan N: 94.43%
Rate Group #11 (2.5% @ 67 PEPRA – Cemetery)		Plan U: 93.64%		Plan U: 93.64%

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 14 (Continued)**

**“Pick – Up” - Discount Percentages**

	December 31, 2013 Valuation Pick-Up Percentage		December 31, 2012 Valuation Pick-Up Percentage	
<i>Safety Members</i>				
Rate Group #6 (3% @ 50 – Probation)	Plan E: 100.00%	Plan F: 95.88%	Plan E: 100.00%	Plan F: 95.70%
Rate Group #6 (2.7% @ 57 PEPRA – Probation)		Plan V: 94.78%		Plan V: 94.26%
Rate Group #7 (3% @ 50 – Law Enforcement)	Plan E: 100.00%	Plan F: 99.38%	Plan E: 100.00%	Plan F: 99.35%
Rate Group #7 (3% @ 55 – Law Enforcement)	Plan Q: Not calculated	Plan R: 98.61%	Plan Q: Not calculated	Plan R: 98.60%
Rate Group #7 (2.7% @ 57 PEPRA – Law Enforcement)		Plan V: 99.03%		Plan V: 98.48%
Rate Group #8 (3% @ 50 – Fire Authority)	Plan E: 100.00%	Plan F: 99.42%	Plan E: 100.00%	Plan F: 99.35%
Rate Group #8 (3% @ 55 – Fire Authority)	Plan Q: Not calculated	Plan R: 98.80%	Plan Q: Not calculated	Plan R: 98.71%
Rate Group #8 (2.7% @ 57 PEPRA – Fire Authority)		Plan V: 99.02%		Plan V: 98.83%

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**CHART 14 (Continued)**

**“Pick – Up” - Average Entry Age**

The following table provides the average entry age by employer used in determining the “pick-up” contributions under Section 31581.1.

<u>Employer</u>	<u>Code</u>	<u>Average Entry Age for All (non-PEPRA and PEPRA) Members</u>
<b><i>General</i></b>		
Orange County	101	33
Cemetery District	102	31
Law Library	103	42
Retirement System	105	34
Fire Authority	106	34
Transportation Corridor Agency	109	40
City of San Juan Capistrano	110	36
Sanitation District	111	35
OCTA	112	36
U.C.I. (Bi-weekly)	113	20
Children & Families Commission	118	32
Local Agency Formation Commission	119	35
Superior Court	121	33
IHSS Public Authority	122	38
<b><i>Safety</i></b>		
Probation	101	28
Law Enforcement	101	27
Fire Authority	106	30

## SECTION 2: Valuation Results for the Orange County Employees Retirement System

The contribution rates as of December 31, 2013 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions or methods.

### Reconciliation of Recommended Contribution

The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation, for the entire Retirement System. A reconciliation of the recommended contribution from the prior valuation to the current year's valuation by Rate Group is provided in Appendix D.

*The chart reconciles the employer contribution from the prior valuation to the amount determined in this valuation.*

### CHART 15

#### Reconciliation of Recommended Employer Contribution Rate from December 31, 2012 to December 31, 2013 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Amount <sup>(1)</sup>
Aggregate Recommended Contribution Rate as of December 31, 2012 with Phase-In	39.21%	\$629,086
Effect of phase-in of changes in actuarial assumptions	2.30%	36,941
Aggregate Recommended Contribution Rate as of December 31, 2012 without Phase-In	41.51%	\$666,027
Effect of change in amortization periods <sup>(2)</sup>	-1.42%	-22,784
Effect of investment gain	-0.77%	-12,355
Effect of difference in actual versus expected salary increases	-1.28%	-20,538
Effect of growth in total payroll less than expected	0.99%	15,885
Effect of other experience (gain)/loss <sup>(3)</sup>	<u>0.02%</u>	<u>268</u>
Subtotal	-2.46%	-\$39,524
Aggregate Recommended Contribution Rate as of December 31, 2013	39.05%	\$626,503

<sup>(1)</sup> Based on December 31, 2013 projected compensation of \$1,604,496,000.

<sup>(2)</sup> This reduction in the current year's UAAL contribution rate may be viewed as the net impact of: (a) combining the December 31, 2012 layered amortization schedule into a 20-year single layer and (b) re-amortizing the balance of that schedule as of December 31, 2013 over a new 20-year schedule. The impact of (a) and (b) is 0.34% and 1.08% of payroll, respectively.

<sup>(3)</sup> Includes adjustment of 0.13% to reflect 18-month delay between date of valuation and date of rate implementation for the rate impact of all actuarial experience.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

The member contribution rates as of December 31, 2013 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, and changes in the actuarial assumptions or methods.

**Reconciliation of Recommended Contribution Rate**  
 The chart below details the changes in the aggregate recommended member contribution rate from the prior valuation to the current year’s valuation.

*The chart reconciles the member contribution from the prior valuation to the amount determined in this valuation.*

**CHART 16**  
**Reconciliation of Average Recommended Member Contribution from December 31, 2012 to December 31, 2013 (Dollar Amounts in Thousands)**

	Contribution Rate	Estimated Amount <sup>(1)</sup>
Average Recommended Contribution Rate as of December 31, 2012 <sup>(2)</sup>	12.75%	\$204,586
Effect of change in demographics	0.02%	315
Average Recommended Contribution Rate as of December 31, 2013	12.77%	\$204,901

<sup>(1)</sup> Based on December 31, 2013 projected annual compensation of \$1,604,496,000.

<sup>(2)</sup> Rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2012 valuation to the System membership as of December 31, 2013.

**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**E. INFORMATION REQUIRED BY GASB**

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

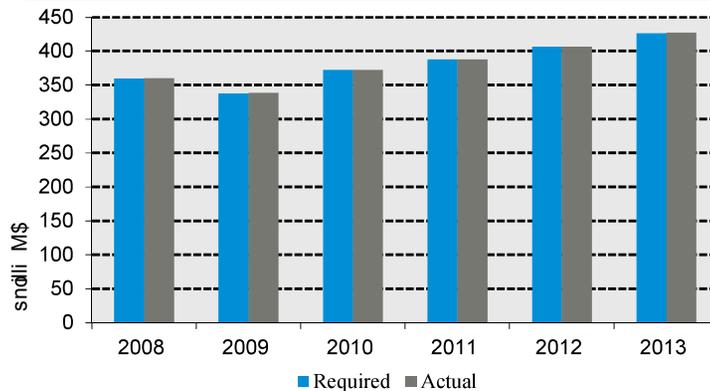
Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with GASB funding requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan’s financial status is the funded ratio shown in Chart 18 below. This ratio compares the valuation value of assets to the actuarial accrued liabilities of the plan as calculated under the GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes. The 2013 funded ratio is 65.99%, compared to 62.52% in 2012.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV.

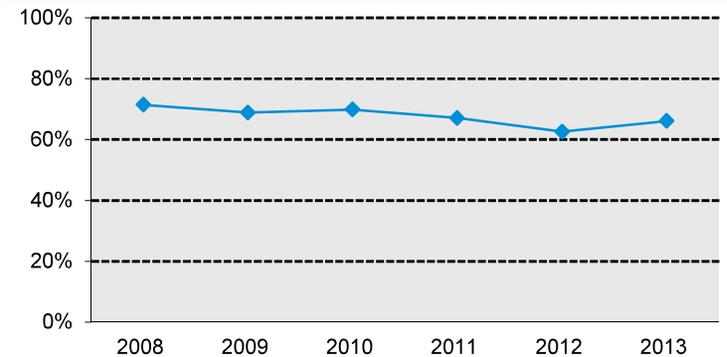
*These graphs show key GASB information.*

**CHART 17**  
**Required Versus Actual Contributions \***



\* Actual contributions excludes transfers from County Investment Account. See page 68.

**CHART 18**  
**Funded Ratio**



**SECTION 2: Valuation Results for the Orange County Employees Retirement System**

**F. VOLATILITY RATIOS**

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For OCERS, the current AVR is about 6.7. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 6.7% of one-year’s payroll. Since OCERS amortizes actuarial gains and losses over a 20-year period, there would be a 0.5% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan’s assets should track the plan’s liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions.

For OCERS, the current LVR is about 9.8. This is about 46% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long-term.

*This chart shows how the asset and liability volatility ratios have varied over time.*

**CHART 19**  
**Volatility Ratios for Years Ended December 31, 2009 – 2013**

Year Ended December 31	Asset Volatility Ratio	Liability Volatility Ratio
2009	4.6	7.3
2010	5.3	7.9
2011	5.2	8.4
2012	5.9	9.4
2013	6.7	9.8

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**i. Rate Group #1 – General – Plans A, B and U (non-OCTA, non-OCSD)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	1,408	1,265	11.3%
Average age	44.0	44.2	N/A
Average service	10.3	11.2	N/A
Projected total compensation	\$66,672,983	\$63,378,492	5.2%
Projected average compensation	\$47,353	\$50,102	-5.5%
Account balances	\$38,142,418	\$36,064,708	5.8%
Total active vested members	949	981	-3.3%
<b>Vested terminated members</b>			
Number	319	290	10.0%
Average age	42.5	42.4	N/A
<b>Retired members</b>			
Number in pay status	583	569	2.5%
Average age	73.7	73.3	N/A
Average monthly benefit <sup>(1)</sup>	\$2,513	\$2,444	2.8%
<b>Disabled members</b>			
Number in pay status	33	34	-2.9%
Average age	67.6	67.6	N/A
Average monthly benefit <sup>(1)</sup>	\$2,263	\$2,247	0.7%
<b>Beneficiaries</b>			
Number in pay status	75	74	1.4%
Average age	74.8	74.1	N/A
Average monthly benefit <sup>(1)</sup>	\$1,217	\$1,182	3.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**ii. Rate Group #2 – General – Plans I, J, O, P, S, T and U**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	13,671	13,802	-0.9%
Average age	46.1	45.9	N/A
Average service	13.2	12.9	N/A
Projected total compensation	\$967,015,507	\$981,046,774	-1.4%
Projected average compensation	\$70,735	\$71,080	-0.5%
Account balances	\$1,462,349,824	\$1,345,480,313	8.7%
Total active vested members	11,902	11,898	0.0%
<b>Vested terminated members</b>			
Number	3,130	2,995	4.5%
Average age	44.4	44.3	N/A
<b>Retired members</b>			
Number in pay status	7,864	7,587	3.7%
Average age	70.4	70.2	N/A
Average monthly benefit <sup>(1)</sup>	\$3,261	\$3,165	3.0%
<b>Disabled members</b>			
Number in pay status	564	563	0.2%
Average age	65.8	65.3	N/A
Average monthly benefit <sup>(1)</sup>	\$2,318	\$2,268	2.2%
<b>Beneficiaries</b>			
Number in pay status	1,305	1,284	1.6%
Average age	75.0	74.8	N/A
Average monthly benefit <sup>(1)</sup>	\$1,605	\$1,530	4.9%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**iii. Rate Group #3 – General – Plans B, G, H and U (Law Library, OCSD)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	604	612	-1.3%
Average age	48.5	48.2	N/A
Average service	13.6	13.2	N/A
Projected total compensation	\$63,125,635	\$64,724,834	-2.5%
Projected average compensation	\$104,513	\$105,760	-1.2%
Account balances	\$80,507,736	\$75,480,140	6.7%
Total active vested members	493	484	1.9%
<b>Vested terminated members</b>			
Number	98	82	19.5%
Average age	46.3	46.7	N/A
<b>Retired members</b>			
Number in pay status	296	277	6.9%
Average age	67.2	66.8	N/A
Average monthly benefit <sup>(1)</sup>	\$4,663	\$4,501	3.6%
<b>Disabled members</b>			
Number in pay status	12	14	-14.3%
Average age	63.5	65.3	N/A
Average monthly benefit <sup>(1)</sup>	\$3,035	\$2,857	6.2%
<b>Beneficiaries</b>			
Number in pay status	50	49	2.0%
Average age	70.1	69.4	N/A
Average monthly benefit <sup>(1)</sup>	\$1,846	\$1,793	3.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**iv. Rate Group #5 – General – Plans A and B (OCTA)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	1,519	1,509	0.7%
Average age	49.7	49.9	N/A
Average service	13.1	13.4	N/A
Projected total compensation	\$101,443,921	\$100,681,092	0.8%
Projected average compensation	\$66,783	\$66,720	0.1%
Account balances	\$114,324,193	\$110,940,980	3.0%
Total active vested members	1,260	1,334	-5.5%
<b>Vested terminated members</b>			
Number	524	510	2.7%
Average age	48.9	48.6	N/A
<b>Retired members</b>			
Number in pay status	705	654	7.8%
Average age	68.7	68.5	N/A
Average monthly benefit <sup>(1)</sup>	\$2,237	\$2,180	2.6%
<b>Disabled members</b>			
Number in pay status	247	240	2.9%
Average age	63.4	62.9	N/A
Average monthly benefit <sup>(1)</sup>	\$2,162	\$2,126	1.7%
<b>Beneficiaries</b>			
Number in pay status	148	139	6.5%
Average age	69.3	68.3	N/A
Average monthly benefit <sup>(1)</sup>	\$1,235	\$1,216	1.6%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**v. Rate Group #9 – General – Plans M, N and U (TCA)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	77	74	4.1%
Average age	49.8	48.9	N/A
Average service	9.6	9.0	N/A
Projected total compensation	\$6,492,514	\$6,062,757	7.1%
Projected average compensation	\$84,318	\$81,929	2.9%
Account balances	\$5,456,492	\$4,656,238	17.2%
Total active vested members	64	57	12.3%
<b>Vested terminated members</b>			
Number	40	40	0.0%
Average age	43.4	42.4	N/A
<b>Retired members</b>			
Number in pay status	26	27	-3.7%
Average age	66.8	66.1	N/A
Average monthly benefit <sup>(1)</sup>	\$3,002	\$2,854	5.2%
<b>Disabled members</b>			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A
<b>Beneficiaries</b>			
Number in pay status	2	1	100.0%
Average age	71.9	72.7	N/A
Average monthly benefit <sup>(1)</sup>	\$314	\$94	234.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**vi. Rate Group #10 – General – Plans I, J, M, N and U (OCFA)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	247	246	0.4%
Average age	46.5	46.3	N/A
Average service <sup>(1)</sup>	12.5	12.8	N/A
Projected total compensation	\$21,160,575	\$21,831,986	-3.1%
Projected average compensation	\$85,670	\$88,748	-3.5%
Account balances	\$23,676,389	\$22,951,038	3.2%
Total active vested members	203	208	-2.4%
<b>Vested terminated members</b>			
Number	91	88	3.4%
Average age	41.7	42.0	N/A
<b>Retired members</b>			
Number in pay status	110	95	15.8%
Average age	65.0	64.8	N/A
Average monthly benefit <sup>(2)</sup>	\$4,022	\$3,774	6.6%
<b>Disabled members</b>			
Number in pay status	8	9	-11.1%
Average age	61.5	59.6	N/A
Average monthly benefit <sup>(2)</sup>	\$2,512	\$2,518	-0.2%
<b>Beneficiaries</b>			
Number in pay status	7	7	0.0%
Average age	57.1	56.1	N/A
Average monthly benefit <sup>(2)</sup>	\$1,314	\$1,319	-0.4%

<sup>(1)</sup> For some former Santa Ana employees, service used in calculating the average above is only used for vesting purposes. Benefit service starts to accrue only effective April 2012.

<sup>(2)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**vii. Rate Group #11 – General – Plans M and N, future service, and U (Cemetery)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	21	21	0.0%
Average age	47.2	46.2	N/A
Average service	15.2	14.3	N/A
Projected total compensation	\$1,241,960	\$1,232,371	0.8%
Projected average compensation	\$59,141	\$58,684	0.8%
Account balances	\$1,564,713	\$1,395,792	12.1%
Total active vested members	19	18	5.6%
<b>Vested terminated members</b>			
Number	2	2	0.0%
Average age	35.1	34.1	N/A
<b>Retired members</b>			
Number in pay status	5	5	0.0%
Average age	75.3	74.3	N/A
Average monthly benefit <sup>(1)</sup>	\$2,517	\$2,467	2.0%
<b>Disabled members</b>			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A
<b>Beneficiaries</b>			
Number in pay status	3	3	0.0%
Average age	72.0	71.0	N/A
Average monthly benefit <sup>(1)</sup>	\$1,625	\$1,593	2.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**viii. Rate Group #6 – Safety – Plans E, F and V (Probation)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	871	892	-2.4%
Average age	42.1	41.4	N/A
Average service	14.3	13.6	N/A
Projected total compensation	\$63,851,828	\$65,185,716	-2.0%
Projected average compensation	\$73,309	\$73,078	0.3%
Account balances	\$102,310,351	\$94,640,879	8.1%
Total active vested members	833	846	-1.5%
<b>Vested terminated members</b>			
Number	203	208	-2.4%
Average age	38.0	37.3	N/A
<b>Retired members</b>			
Number in pay status	226	219	3.2%
Average age	64.8	64.6	N/A
Average monthly benefit <sup>(1)</sup>	\$5,436	\$5,411	0.5%
<b>Disabled members</b>			
Number in pay status	19	19	0.0%
Average age	54.3	53.3	N/A
Average monthly benefit <sup>(1)</sup>	\$2,655	\$2,592	2.4%
<b>Beneficiaries</b>			
Number in pay status	20	19	5.3%
Average age	59.3	58.5	N/A
Average monthly benefit <sup>(1)</sup>	\$2,424	\$2,497	-2.9%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**ix. Rate Group #7 – Safety – Plans E, F, Q, R and V (Law Enforcement)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	2,012	1,888	6.6%
Average age	41.0	41.7	N/A
Average service	13.9	14.6	N/A
Projected total compensation	\$202,561,948	\$193,630,690	4.6%
Projected average compensation	\$100,677	\$102,559	-1.8%
Account balances	\$210,267,095	\$192,619,378	9.2%
Total active vested members	1,634	1,625	0.6%
<b>Vested terminated members</b>			
Number	169	164	3.0%
Average age	43.5	43.2	N/A
<b>Retired members</b>			
Number in pay status	1,067	997	7.0%
Average age	63.3	63.3	N/A
Average monthly benefit <sup>(1)</sup>	\$6,449	\$6,317	2.1%
<b>Disabled members</b>			
Number in pay status	327	325	0.6%
Average age	61.4	60.6	N/A
Average monthly benefit <sup>(1)</sup>	\$4,413	\$4,292	2.8%
<b>Beneficiaries</b>			
Number in pay status	268	256	4.7%
Average age	66.0	65.9	N/A
Average monthly benefit <sup>(1)</sup>	\$2,609	\$2,564	1.8%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**x. Rate Group #8 – Safety – Plans E, F, Q, R and V (Fire Authority)**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	938	947	-1.0%
Average age	44.0	44.2	N/A
Average service <sup>(1)</sup>	14.4	14.6	N/A
Projected total compensation	\$110,929,365	\$111,826,147	-0.8%
Projected average compensation	\$118,262	\$118,085	0.1%
Account balances	\$87,583,258	\$82,887,607	5.7%
Total active vested members	750	758	-1.1%
<b>Vested terminated members</b>			
Number	36	35	2.9%
Average age	40.8	39.6	N/A
<b>Retired members</b>			
Number in pay status	346	309	12.0%
Average age	62.3	62.1	N/A
Average monthly benefit <sup>(2)</sup>	\$7,226	\$6,785	6.5%
<b>Disabled members</b>			
Number in pay status	124	115	7.8%
Average age	63.3	62.5	N/A
Average monthly benefit <sup>(2)</sup>	\$5,939	\$5,520	7.6%
<b>Beneficiaries</b>			
Number in pay status	65	57	14.0%
Average age	59.6	59.0	N/A
Average monthly benefit <sup>(2)</sup>	\$2,848	\$2,716	4.9%

<sup>(1)</sup> For some former Santa Ana employees, service used in calculating the average above is only used for vesting purposes. Benefit service starts to accrue only effective April 2012.

<sup>(2)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT A**

**Table of Plan Coverage**

**xi. Total**

<b>Category</b>	<b>Year Ended December 31</b>		<b>Change From Prior Year</b>
	<b>2013</b>	<b>2012</b>	
<b>Active members in valuation</b>			
Number	21,368	21,256	0.5%
Average age	45.6	45.5	N/A
Average service	13.2	13.1	N/A
Projected total compensation	\$1,604,496,236	\$1,609,600,860	-0.3%
Projected average compensation	\$75,089	\$75,725	-0.8%
Account balances	\$2,126,182,470	\$1,967,117,073	8.1%
Total active vested members	18,107	18,209	-0.6%
<b>Vested terminated members</b>			
Number	4,613	4,415	4.5%
Average age	44.4	44.2	N/A
<b>Retired members</b>			
Number in pay status	11,228	10,739	4.6%
Average age	69.3	69.1	N/A
Average monthly benefit <sup>(1)</sup>	\$3,670	\$3,548	3.4%
<b>Disabled members</b>			
Number in pay status	1,334	1,319	1.1%
Average age	63.9	63.3	N/A
Average monthly benefit <sup>(1)</sup>	\$3,150	\$3,037	3.7%
<b>Beneficiaries</b>			
Number in pay status	1,943	1,889	2.9%
Average age	72.5	72.2	N/A
Average monthly benefit <sup>(1)</sup>	\$1,754	\$1,685	4.1%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**i. Rate Group #1 – General – Plans A, B and U (non-OCTA, non-OCSD)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
<b>Under 25</b>	43	43	--	--	--	--	--	--	--	--
	\$39,808	\$39,808	--	--	--	--	--	--	--	--
<b>25-29</b>	131	110	21	--	--	--	--	--	--	--
	43,006	42,104	\$47,726	--	--	--	--	--	--	--
<b>30-34</b>	213	103	79	30	1	--	--	--	--	--
	45,870	42,254	49,395	\$48,953	\$47,262	--	--	--	--	--
<b>35-39</b>	199	53	65	66	15	--	--	--	--	--
	47,580	41,772	49,919	49,575	49,194	--	--	--	--	--
<b>40-44</b>	226	46	74	52	28	26	--	--	--	--
	48,023	41,310	49,799	48,519	50,762	\$50,905	--	--	--	--
<b>45-49</b>	152	38	36	25	12	36	5	--	--	--
	47,459	39,728	48,253	50,076	51,089	51,390	\$50,381	--	--	--
<b>50-54</b>	127	32	24	25	7	29	6	4	--	--
	47,986	43,075	48,988	48,812	49,342	50,802	49,430	\$51,149	--	--
<b>55-59</b>	141	17	25	23	11	46	9	4	5	1
	49,692	39,605	49,641	49,341	49,916	50,786	53,027	49,835	\$68,843	\$51,333
<b>60-64</b>	106	15	15	13	10	33	8	5	3	4
	50,508	42,785	51,586	49,354	51,204	51,427	44,147	51,493	55,781	77,405
<b>65-69</b>	48	3	5	10	5	18	5	1	--	1
	51,690	39,083	51,361	48,859	49,851	51,539	53,243	55,515	--	119,776
<b>70 &amp; over</b>	22	--	2	4	3	10	2	--	1	--
	49,367	--	49,975	48,518	48,022	49,253	52,858	--	49,728	--
<b>Total</b>	1,408	460	346	248	92	198	35	14	9	6
	\$47,353	\$41,587	\$49,476	\$49,172	\$50,211	\$51,012	\$50,024	\$51,208	\$62,365	\$80,122

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**ii. Rate Group #2 – General – Plans I, J, O, P, S, T and U**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
<b>Under 25</b>	152	150	2	--	--	--	--	--	--	--
	\$44,771	\$44,799	\$42,695	--	--	--	--	--	--	--
<b>25-29</b>	812	475	335	2	--	--	--	--	--	--
	52,441	52,970	51,677	\$55,004	--	--	--	--	--	--
<b>30-34</b>	1,542	386	957	195	4	--	--	--	--	--
	62,562	60,697	64,234	58,259	\$52,273	--	--	--	--	--
<b>35-39</b>	1,834	228	821	632	150	3	--	--	--	--
	68,001	67,261	68,711	67,367	67,740	\$76,541	--	--	--	--
<b>40-44</b>	2,070	186	543	699	442	196	4	--	--	--
	73,390	65,940	72,210	76,267	75,357	69,078	\$70,965	--	--	--
<b>45-49</b>	2,049	163	429	472	376	478	127	4	--	--
	74,574	70,518	71,088	73,787	81,060	75,092	73,747	\$61,354	--	--
<b>50-54</b>	2,135	109	361	411	337	454	318	140	5	--
	77,136	78,576	74,270	72,277	78,576	80,062	80,179	77,044	\$98,449	--
<b>55-59</b>	1,556	71	259	296	267	290	236	113	24	--
	74,966	72,722	68,947	69,989	73,587	76,837	83,955	83,375	72,717	--
<b>60-64</b>	976	39	154	243	181	158	134	54	12	1
	74,427	80,575	72,106	68,862	74,966	75,841	81,772	78,846	70,904	\$42,552
<b>65-69</b>	393	11	70	106	81	56	44	13	7	5
	72,316	63,677	73,964	68,944	73,632	73,748	76,251	64,206	101,038	48,613
<b>70 &amp; over</b>	152	5	30	37	18	29	20	8	4	1
	61,383	75,426	69,694	58,478	65,696	52,827	62,669	49,087	65,460	76,201
<b>Total</b>	13,671	1,823	3,961	3,093	1,856	1,664	883	332	52	7
	\$70,735	\$61,630	\$67,667	\$70,744	\$75,970	\$75,684	\$79,871	\$78,126	\$78,027	\$51,689

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**iii. Rate Group #3 – General – Plans B, G, H and U (Law Library, OCSD)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
<b>Under 25</b>	4	3	1	--	--	--	--	--	--	--
	\$74,948	\$71,916	\$84,045	--	--	--	--	--	--	--
<b>25-29</b>	22	17	5	--	--	--	--	--	--	--
	79,600	77,988	85,081	--	--	--	--	--	--	--
<b>30-34</b>	53	25	23	5	--	--	--	--	--	--
	86,823	79,683	93,607	\$91,315	--	--	--	--	--	--
<b>35-39</b>	59	22	27	10	--	--	--	--	--	--
	91,092	85,077	96,275	90,332	--	--	--	--	--	--
<b>40-44</b>	73	20	21	16	6	10	--	--	--	--
	103,379	94,737	104,695	105,141	\$125,434	\$101,846	--	--	--	--
<b>45-49</b>	108	9	23	20	17	36	3	--	--	--
	111,957	103,748	116,932	105,540	117,410	112,595	\$102,656	--	--	--
<b>50-54</b>	121	18	22	15	13	33	18	2	--	--
	109,461	92,003	97,929	109,632	134,060	113,883	114,435	\$114,540	--	--
<b>55-59</b>	94	9	12	17	17	22	11	6	--	--
	112,485	99,511	106,749	117,479	117,462	111,060	109,847	125,232	--	--
<b>60-64</b>	40	1	6	7	6	11	8	1	--	--
	110,538	85,918	106,474	104,188	100,975	106,204	137,412	94,057	--	--
<b>65-69</b>	21	1	5	4	3	4	4	--	--	--
	109,381	97,082	97,884	115,139	140,210	101,950	105,376	--	--	--
<b>70 &amp; over</b>	9	--	--	--	1	4	4	--	--	--
	102,628	--	--	--	111,883	108,376	94,567	--	--	--
<b>Total</b>	604	125	145	94	63	120	48	9	--	--
	\$104,513	\$87,748	\$101,473	\$106,217	\$121,057	\$110,691	\$114,066	\$119,392	--	--

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**iv. Rate Group #5 – General – Plans A and B (OCTA)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
<b>Under 25</b>	12	12	--	--	--	--	--	--	--	--
	\$43,907	\$43,907	--	--	--	--	--	--	--	--
<b>25-29</b>	51	43	8	--	--	--	--	--	--	--
	51,060	49,580	\$59,012	--	--	--	--	--	--	--
<b>30-34</b>	93	33	47	13	--	--	--	--	--	--
	61,096	57,202	63,939	\$60,701	--	--	--	--	--	--
<b>35-39</b>	145	36	45	57	7	--	--	--	--	--
	63,248	58,090	62,829	67,591	\$57,105	--	--	--	--	--
<b>40-44</b>	168	40	44	60	17	7	--	--	--	--
	65,072	59,951	65,583	65,871	69,211	\$74,216	--	--	--	--
<b>45-49</b>	230	35	62	76	28	27	2	--	--	--
	67,522	67,910	69,529	63,024	65,307	77,085	\$71,411	--	--	--
<b>50-54</b>	293	28	44	100	40	46	25	10	--	--
	69,898	71,991	69,751	63,879	71,571	80,082	71,239	\$67,978	--	--
<b>55-59</b>	288	24	38	78	36	40	31	31	10	--
	71,669	62,992	82,870	62,316	76,125	74,020	76,373	72,157	\$81,330	--
<b>60-64</b>	171	12	32	35	18	22	20	16	15	1
	66,470	51,054	66,439	68,785	60,591	68,296	66,630	65,132	77,043	\$96,634
<b>65-69</b>	57	3	10	20	8	8	5	2	1	--
	64,875	40,355	69,702	66,751	63,578	57,397	79,807	54,343	69,269	--
<b>70 &amp; over</b>	11	1	4	2	--	2	--	1	1	--
	73,915	140,328	67,204	53,862	--	56,557	--	57,788	125,290	--
<b>Total</b>	1,519	267	334	441	154	152	83	60	27	1
	\$66,783	\$59,229	\$68,296	\$64,587	\$68,880	\$74,475	\$72,566	\$68,754	\$80,129	\$96,634

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**v. Rate Group #9 – General – Plans M, N and U (TCA)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
25-29	4	2	2	--	--	--	--	--	--	--
	\$43,227	\$48,028	\$38,427	--	--	--	--	--	--	--
30-34	9	3	4	2	--	--	--	--	--	--
	55,663	72,969	45,497	\$50,037	--	--	--	--	--	--
35-39	7	--	3	4	--	--	--	--	--	--
	61,306	--	78,982	48,049	--	--	--	--	--	--
40-44	5	2	2	1	--	--	--	--	--	--
	80,660	116,304	52,906	64,878	--	--	--	--	--	--
45-49	10	1	4	3	1	1	--	--	--	--
	98,776	105,529	87,569	83,152	\$69,618	\$212,876	--	--	--	--
50-54	12	2	5	4	1	--	--	--	--	--
	95,276	115,784	66,658	118,641	103,888	--	--	--	--	--
55-59	14	2	1	5	5	1	--	--	--	--
	101,821	145,795	109,552	93,850	96,587	72,167	--	--	--	--
60-64	7	--	3	4	--	--	--	--	--	--
	76,537	--	63,680	86,179	--	--	--	--	--	--
65-69	7	2	3	2	--	--	--	--	--	--
	91,044	100,378	105,250	60,403	--	--	--	--	--	--
70 & over	2	--	1	1	--	--	--	--	--	--
	128,283	--	202,452	54,114	--	--	--	--	--	--
<b>Total</b>	77	14	28	26	7	2	--	--	--	--
	\$84,318	\$98,358	\$75,141	\$79,618	\$93,777	\$142,521	--	--	--	--

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**vi. Rate Group #10 – General – Plans I, J, M, N and U (OCFA)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	2	2	--	--	--	--	--	--	--	--
	\$52,835	\$52,835	--	--	--	--	--	--	--	--
25-29	11	8	3	--	--	--	--	--	--	--
	59,332	56,270	\$67,498	--	--	--	--	--	--	--
30-34	23	10	11	2	--	--	--	--	--	--
	73,242	71,677	73,671	\$78,709	--	--	--	--	--	--
35-39	34	8	19	7	--	--	--	--	--	--
	73,992	65,513	78,632	71,088	--	--	--	--	--	--
40-44	22	5	4	10	3	--	--	--	--	--
	87,757	86,297	87,303	92,665	\$74,436	--	--	--	--	--
45-49	54	6	6	17	10	12	3	--	--	--
	84,523	99,013	78,055	73,000	96,258	\$85,191	\$91,990	--	--	--
50-54	56	8	7	12	14	7	5	3	--	--
	95,086	106,859	94,434	86,578	102,027	83,731	82,608	\$114,146	--	--
55-59	24	1	2	14	2	1	3	1	--	--
	96,252	122,502	111,612	91,651	99,608	89,591	110,687	60,355	--	--
60-64	17	4	2	3	5	2	1	--	--	--
	102,520	105,799	115,884	103,092	115,089	66,672	69,816	--	--	--
65-69	4	--	--	3	--	1	--	--	--	--
	82,329	--	--	82,616	--	81,469	--	--	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	247	52	54	68	34	23	12	4	--	--
	\$85,670	\$81,208	\$82,231	\$83,851	\$99,675	\$83,166	\$90,907	\$100,698	--	--

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**vii. Rate Group #11 – General – Plans M and N, future service, and U (Cemetery)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	--	--	--	--	--	--	--	--	--	--
25-29	--	--	--	--	--	--	--	--	--	--
30-34	3	2	--	1	--	--	--	--	--	--
35-39	\$45,173	\$43,146	--	\$49,227	--	--	--	--	--	--
40-44	4	--	2	1	1	--	--	--	--	--
45-49	58,044	--	\$47,604	55,590	\$81,378	--	--	--	--	--
50-54	7	--	1	2	2	1	1	--	--	--
55-59	64,191	--	129,869	61,488	49,110	\$49,163	\$49,110	--	--	--
60-64	1	--	--	--	1	--	--	--	--	--
65-69	80,884	--	--	--	80,884	--	--	--	--	--
70 & over	3	--	--	--	2	1	--	--	--	--
	57,466	--	--	--	67,581	37,236	--	--	--	--
	2	--	--	--	--	1	1	--	--	--
	59,054	--	--	--	--	37,236	80,872	--	--	--
	1	--	1	--	--	--	--	--	--	--
	53,537	--	53,537	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	21	2	4	4	6	3	2	--	--	--
	\$59,141	\$43,146	\$69,654	\$56,948	\$65,941	\$41,211	\$64,991	--	--	--

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**viii. Rate Group #6 – Safety – Plans E, F and V (Probation)**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	3	3	--	--	--	--	--	--	--	--
	\$48,696	\$48,696	--	--	--	--	--	--	--	--
25-29	36	19	17	--	--	--	--	--	--	--
	53,477	48,698	\$58,818	--	--	--	--	--	--	--
30-34	117	9	87	21	--	--	--	--	--	--
	63,167	48,198	62,901	\$70,682	--	--	--	--	--	--
35-39	232	6	57	142	27	--	--	--	--	--
	70,946	48,104	64,041	73,409	\$77,647	--	--	--	--	--
40-44	204	1	14	77	97	15	--	--	--	--
	75,116	48,673	60,245	69,879	80,890	\$80,307	--	--	--	--
45-49	126	--	8	27	41	39	11	--	--	--
	78,979	--	64,814	71,018	79,103	85,238	\$86,167	--	--	--
50-54	82	2	1	8	18	19	29	5	--	--
	85,825	51,393	64,770	69,421	82,742	80,580	97,743	\$91,962	--	--
55-59	48	--	3	5	9	11	13	7	--	--
	82,863	--	63,794	74,592	68,363	79,967	92,185	102,821	--	--
60-64	21	--	1	9	4	3	3	1	--	--
	70,395	--	64,592	64,654	71,283	86,641	68,598	80,959	--	--
65-69	2	--	--	--	--	--	1	1	--	--
	81,120	--	--	--	--	--	82,278	79,962	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	871	40	188	289	196	87	57	14	--	--
	\$73,309	\$48,630	\$62,794	\$71,684	\$79,468	\$82,753	\$92,436	\$95,749	--	--

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**ix. Rate Group #7 – Safety – Plans E, F, Q, R and V (Law Enforcement)**

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	68	68	--	--	--	--	--	--	--	--
	\$68,711	\$68,711	--	--	--	--	--	--	--	--
25-29	247	164	83	--	--	--	--	--	--	--
	77,488	71,498	\$89,323	--	--	--	--	--	--	--
30-34	274	91	152	31	--	--	--	--	--	--
	87,869	72,180	94,877	\$99,557	--	--	--	--	--	--
35-39	298	30	100	107	61	--	--	--	--	--
	97,891	76,191	95,991	100,623	\$106,888	--	--	--	--	--
40-44	374	17	57	84	161	54	1	--	--	--
	105,543	93,204	105,189	102,862	107,543	\$107,796	\$117,256	--	--	--
45-49	392	3	34	45	91	161	58	--	--	--
	112,450	108,429	109,030	105,516	107,800	114,226	122,407	--	--	--
50-54	254	20	9	20	22	55	117	11	--	--
	116,999	115,272	114,453	107,964	114,378	112,409	121,979	\$113,861	--	--
55-59	73	11	16	2	8	11	19	6	--	--
	115,774	115,086	122,733	134,074	107,014	106,357	112,827	130,655	--	--
60-64	24	1	5	6	--	4	6	2	--	--
	113,693	123,503	124,511	111,456	--	110,622	107,316	113,736	--	--
65-69	8	--	4	1	1	--	1	1	--	--
	131,377	--	137,296	119,025	155,396	--	126,160	101,251	--	--
70 & over	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>2,012</b>	<b>405</b>	<b>460</b>	<b>296</b>	<b>344</b>	<b>285</b>	<b>202</b>	<b>20</b>	<b>--</b>	<b>--</b>
	<b>\$100,677</b>	<b>\$76,190</b>	<b>\$98,484</b>	<b>\$102,894</b>	<b>\$108,059</b>	<b>\$112,303</b>	<b>\$120,803</b>	<b>\$118,256</b>	<b>--</b>	<b>--</b>

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**x. Rate Group #8 – Safety – Plans E, F, Q, R and V (Fire Authority)**

Age	Total	Years of Service								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	6	6	--	--	--	--	--	--	--	--
	\$63,545	\$63,545	--	--	--	--	--	--	--	--
25-29	52	34	18	--	--	--	--	--	--	--
	88,069	77,824	\$107,422	--	--	--	--	--	--	--
30-34	126	56	64	6	--	--	--	--	--	--
	103,291	90,837	113,170	\$114,146	--	--	--	--	--	--
35-39	170	52	77	35	6	--	--	--	--	--
	111,702	102,358	115,847	115,856	\$115,266	--	--	--	--	--
40-44	140	31	39	35	22	13	--	--	--	--
	121,175	118,185	117,961	118,877	125,890	\$136,158	--	--	--	--
45-49	157	27	8	35	28	38	21	--	--	--
	128,937	138,248	109,855	122,768	123,657	132,062	\$135,906	--	--	--
50-54	172	44	4	15	31	27	33	18	--	--
	127,836	126,292	115,737	120,582	126,404	123,068	131,928	\$142,463	--	--
55-59	91	24	--	5	14	14	9	25	--	--
	131,407	129,882	--	116,881	132,278	132,939	113,571	140,850	--	--
60-64	19	8	--	--	2	4	1	4	--	--
	121,841	124,120	--	--	113,730	106,088	148,497	130,426	--	--
65-69	4	2	--	--	1	--	--	1	--	--
	109,346	108,040	--	--	124,059	--	--	97,246	--	--
70 & over	1	--	--	--	1	--	--	--	--	--
	58,571	--	--	--	58,571	--	--	--	--	--
<b>Total</b>	<b>938</b>	<b>284</b>	<b>210</b>	<b>131</b>	<b>105</b>	<b>96</b>	<b>64</b>	<b>48</b>	<b>--</b>	<b>--</b>
	<b>\$118,262</b>	<b>\$108,156</b>	<b>\$114,471</b>	<b>\$119,012</b>	<b>\$124,801</b>	<b>\$129,133</b>	<b>\$130,911</b>	<b>\$139,678</b>	<b>--</b>	<b>--</b>

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT B**

**Members in Active Service and Projected Average Compensation as of December 31, 2013  
By Age and Years of Service**

**xi. Total**

Age	Years of Service									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	290	287	3	--	--	--	--	--	--	--
	\$50,514	\$50,451	\$56,478	--	--	--	--	--	--	--
25-29	1,366	872	492	2	--	--	--	--	--	--
	57,863	56,299	60,647	\$55,004	--	--	--	--	--	--
30-34	2,453	718	1,424	306	5	--	--	--	--	--
	66,582	62,357	69,285	64,173	\$51,271	--	--	--	--	--
35-39	2,982	435	1,216	1,061	267	3	--	--	--	--
	72,611	68,812	73,256	72,191	77,484	\$76,541	--	--	--	--
40-44	3,282	348	798	1,034	776	321	5	--	--	--
	77,801	70,169	75,031	77,990	83,521	78,493	\$80,223	--	--	--
45-49	3,285	282	611	722	606	829	231	4	--	--
	81,557	74,724	74,119	76,947	86,736	86,727	92,187	\$61,354	--	--
50-54	3,253	263	477	610	484	670	551	193	5	--
	82,938	86,184	74,975	73,763	84,646	84,904	93,479	85,589	\$98,449	--
55-59	2,332	159	356	445	371	437	331	193	39	1
	78,543	82,020	73,079	71,207	78,369	78,107	86,293	91,680	74,429	\$51,333
60-64	1,383	80	218	320	226	238	182	83	30	6
	74,259	75,280	72,261	70,051	74,626	74,151	81,821	78,090	72,461	74,801
65-69	545	22	98	146	99	87	60	19	8	6
	72,600	66,031	76,931	69,040	74,971	69,035	77,504	67,228	97,067	60,474
70 & over	197	6	37	44	23	45	26	9	6	1
	63,290	86,243	71,947	57,263	65,089	57,136	66,822	50,054	72,810	76,201
Total	21,368	3,472	5,730	4,690	2,857	2,630	1,386	501	88	14
	\$75,089	\$65,515	\$71,665	\$73,398	\$81,955	\$81,584	\$88,777	\$85,165	\$77,070	\$67,085

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT C**

**Reconciliation of Member Data – December 31, 2012 to December 31, 2013**

	<b>Active Members</b>	<b>Vested Former Members</b>	<b>Pensioners</b>	<b>Disableds</b>	<b>Beneficiaries</b>	<b>Total</b>
Number as of December 31, 2012	21,256	4,415	10,739	1,319	1,889	39,618
New members	1,255	62	0	0	144	1,461
Terminations – with vested rights	-406 <sup>(1)</sup>	406	0	0	0	0
Contributions refunds	-114 <sup>(2)</sup>	-94	0	0	0	-208
Retirements	-639	-100	739	0	0	0
New disabilities	-22	-3	-16	41	0	0
Return to work	67	-67	0	0	0	0
Deaths	-29	-7	-237	-26	-90	-389
Data adjustments	0	1	3	0	0	4
Number as of December 31, 2013	21,368	4,613	11,228	1,334	1,943	40,486

<sup>(1)</sup> Includes 56 terminated before January 1, 2013.

<sup>(2)</sup> Includes 8 terminated before January 1, 2013.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT D**

**Summary Statement of Income and Expenses on an Actuarial Value Basis**

	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>Contribution income:</b>		
Employer contributions	\$427,095,000	\$406,521,000
Employee contributions	209,301,000	191,069,000
Discount for prepaid contributions	26,392,000	24,874,000
Transfer from County Investment Account <sup>(1)</sup>	<u>5,000,000</u>	<u>5,500,000</u>
Net contribution income	\$667,788,000	\$627,964,000
<b>Investment income:</b>		
Interest, dividends and other income	\$178,427,000	\$200,599,000
Recognition of capital appreciation	741,638,000	172,821,000
Less investment and administrative fees	<u>-53,663,000</u>	<u>-55,287,000</u>
Net investment income	<u>\$866,402,000</u>	<u>\$318,033,000</u>
<b>Total income available for benefits</b>	<b>\$1,534,190,000</b>	<b>\$945,997,000</b>
<b>Less benefit payments</b>	<b>-\$586,273,000</b>	<b>-\$541,154,000</b>
<b>Change in reserve for future benefits</b>	<b>\$947,917,000</b>	<b>\$404,843,000</b>

<sup>(1)</sup> Funded by pension obligation bond proceeds held by OCERS.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

**EXHIBIT E**

**Summary Statement of Assets**

	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>Cash equivalents</b>	\$372,841,000	\$412,948,000
<b>Accounts receivable:</b>		
Contributions	\$14,857,000	\$13,408,000
Investment income	17,766,000	21,705,000
Securities settlements	89,493,000	131,660,000
Other	<u>4,297,000</u>	<u>10,352,000</u>
Total accounts receivable	\$126,413,000	\$177,125,000
<b>Investments:</b>		
Fixed income investments	\$2,011,257,000	\$3,024,092,000
Equities	4,226,395,000	4,060,761,000
Real estate	978,269,000	999,490,000
Alternative investments and diversified credit	3,396,927,000	1,524,642,000
Security lending collateral	300,092,000	301,332,000
Fixed assets net of accumulated depreciation	<u>17,778,000</u>	<u>10,459,000</u>
Total investments at market value	<u>\$10,930,718,000</u>	<u>\$9,920,776,000</u>
<b>Total assets</b>	<u>\$11,429,972,000</u>	<u>\$10,510,849,000</u>
<b>Less accounts payable:</b>		
Securities settlements	-\$107,778,000	-\$305,881,000
Security lending liability	-300,092,000	-301,332,000
All other	<u>-60,993,000</u>	<u>-55,869,000</u>
Total accounts payable	-\$468,863,000	-\$663,082,000
<b>Net assets at market value<sup>(1)</sup></b>	<u>\$10,679,507,000</u>	<u>\$9,566,874,000</u>
<b>Net assets at actuarial value</b>	<u>\$10,417,340,000</u>	<u>\$9,469,423,000</u>
<b>Net assets at valuation value</b>	<u>\$10,417,125,000</u>	<u>\$9,469,208,000</u>

<sup>(1)</sup> The market value excludes \$109,254,000 and \$103,261,000 as of December 31, 2013 and December 31, 2012, respectively, in the County Investment Account (funded by pension obligation bond proceeds held by OCERS) and \$172,348,000 and \$177,632,000 as of December 31, 2013 and December 31, 2012, respectively, in the prepaid employer contributions account.

Note: Results may not total exactly due to rounding.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

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**EXHIBIT F**

**Actuarial Balance Sheet**

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An overview of the Plan’s funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the “liability” of the Plan.

Second, we determine how this liability will be met. These actuarial “assets” include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments.

Assets

1. Total valuation value of assets	\$10,417,125,000
2. Present value of future contributions by members	1,779,036,000
3. Present value of future employer contributions for:	
a. entry age normal cost	2,021,479,000
b. unfunded actuarial accrued liability	<u>5,367,917,000</u>
4. Total current and future assets	\$19,585,557,000

Liabilities

5. Present value of retirement allowance payable to present retired members	\$8,112,928,000
6. Present value of retirement allowances to be granted to present non-retired members	<u>11,472,629,000</u>
7. Total liabilities	\$19,585,557,000

### SECTION 3: Supplemental Information for the Orange County Employees Retirement System

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#### EXHIBIT G

#### Summary of Reported Asset Information as of December 31, 2013

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##### Reserves

##### Included in Valuation Value of Assets

Active Members Reserve (Book Value)	\$2,295,362,000
Retired Members Reserve (Book Value)	7,643,516,000
Employer Advanced Reserve (Book Value)	1,237,182,000
ERI Contribution Reserve	6,256,000
STAR COLA Contribution Reserve	0
Unrealized Appreciation Included in Valuation Value of Assets	<u>-765,191,000</u>
Subtotal: Valuation Value of Assets	\$10,417,125,000

##### Not Included in Valuation Value of Assets

RMBR	\$0
Unclaimed Member Deposit	123,000
Medicare Medical Insurance Reserve	<u>92,000</u>
Total	\$215,000
Subtotal: Actuarial Value of Assets	\$10,417,340,000
Unrecognized Investment Income	<u>262,167,000</u>
Subtotal: Market Value of Assets (Net of County Investment Account <sup>(1)</sup> and Prepaid Employer Contributions)	\$10,679,507,000
County Investment Account <sup>(1)</sup>	109,254,000
Prepaid Employer Contributions	<u>172,348,000</u>
Total: Gross Market Value of Assets	\$10,961,109,000

<sup>(1)</sup> Funded by pension obligation bond proceeds held by OCERS.

### SECTION 3: Supplemental Information for the Orange County Employees Retirement System

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#### EXHIBIT H

#### Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended December 31, 2013

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1.	Unfunded actuarial accrued liability at beginning of year		\$5,675,680,000
2.	Total normal cost at middle of year		457,762,000
3.	Actual employer and member contributions		-667,788,000
4.	Interest		<u>403,873,000</u>
5.	Expected unfunded actuarial accrued liability		\$5,869,527,000
6.	Actuarial (gain)/loss and other changes:		
	(a) Gain on investment return	-\$176,930,000	
	(b) Gain on lower than expected salary increases	-294,326,000	
	(c) Other experience (gain)/loss <sup>(1)</sup>	<u>-30,354,000</u>	
	Total changes		<u>-\$501,610,000</u>
7.	Unfunded actuarial accrued liability at end of year		<u>\$5,367,917,000</u>

Note: The sum of 6(b) through 6(c) is equal to the “other experience” gain of \$324,680,000 provided on page 7.

<sup>(1)</sup> This amount does not include a contribution loss of about \$192 million due to the 18-month delay in implementing higher contribution rates.

### SECTION 3: Supplemental Information for the Orange County Employees Retirement System

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#### EXHIBIT I

#### Section 415 Limitations

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Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar indexed for inflation. That limit is \$205,000 for 2013 and \$210,000 for 2014. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits for non-CalPEPRA plans that are in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contributions rates for non-CalPEPRA plans determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

**SECTION 3: Supplemental Information for the Orange County Employees Retirement System**

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**EXHIBIT J**

**Definitions of Pension Terms**

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The following list defines certain technical terms for the convenience of the reader:

**Assumptions or Actuarial**

**Assumptions:**

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age; and
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

**Normal Cost:**

The amount of contributions required to fund the level cost allocated to the current year of service.

**Actuarial Accrued Liability**

**For Actives:**

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability**

**For Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

### SECTION 3: Supplemental Information for the Orange County Employees Retirement System

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**Unfunded Actuarial Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan. There are many approaches to paying off the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

**Amortization of the Unfunded (Overfunded) Actuarial Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

**Investment Return:**

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

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### EXHIBIT I

#### Summary of Actuarial Valuation Results

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The valuation was made with respect to the following data supplied to us:

1. Retired members as of the valuation date (including 1,943 beneficiaries in pay status)	14,505
2. Members inactive during year ended December 31, 2013 with vested rights*	4,613
3. Members active during the year ended December 31, 2013	21,368

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The actuarial factors as of the valuation date are as follows (amounts in 000s):

1. Normal cost	\$454,221
2. Present value of future benefits	19,585,557
3. Present value of future normal costs	3,800,515
4. Actuarial accrued liability**	15,785,042
Retired members and beneficiaries	\$8,112,928
Inactive members with vested rights*	389,341
Active members	7,282,773
5. Valuation value of assets*** (\$10,679,507 at market value as reported by Retirement System)	10,417,125
6. Unfunded actuarial accrued liability	\$5,367,917

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\* This includes members who chose to leave their contributions on deposit even though they have less than five years of service.

\*\* Excludes liabilities held for STAR COLA.

\*\*\* Excludes assets held for Unclaimed member deposit and Medicare medical insurance reserve.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**EXHIBIT I (continued)**

**Summary of Actuarial Valuation Results**

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The determination of the recommended average employer contribution is as follows (amounts in 000s):

	<b>Dollar Amount</b>	<b>% of Payroll</b>
1. Total normal cost	\$454,221	28.31%
2. Expected employee contributions	<u>-204,901</u>	<u>-12.77%</u>
3. Employer normal cost: (1) + (2)	\$249,320	15.54%
4. Amortization of unfunded actuarial accrued liability	<u>377,183</u>	<u>23.51%</u>
5. Total recommended average employer contribution: (3) + (4)	\$626,503	39.05%
6. Projected compensation	\$1,604,496	

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**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**EXHIBIT II**

**Supplementary Information Required by GASB – Schedule of Employer Contributions**

<b>Plan Year Ended December 31</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions<sup>(1)</sup></b>	<b>Percentage Contributed</b>
2008	\$359,673,000	\$360,365,000 <sup>(2)</sup>	100.2%
2009	337,496,000	338,387,000 <sup>(3)</sup>	100.3%
2010	372,437,000	372,437,000	100.0%
2011	387,585,000	387,585,000	100.0%
2012	406,521,000	406,521,000	100.0%
2013	426,020,000	427,095,000 <sup>(4)</sup>	100.3%

<sup>(1)</sup> Excludes transfers from County Investment Account (funded by pension obligation bond proceeds held by OCERS). Those transfers are as follows:

<i>Plan Year Ended December 31</i>	<i>Transfers from County Investment Account</i>
2008	\$0
2009	34,900,000
2010	11,000,000
2011	11,000,000
2012	5,500,000
2013	5,000,000

<sup>(2)</sup> Includes \$692,000 in additional contributions made by OCFA towards the reduction of their UAAL.

<sup>(3)</sup> Includes \$891,000 in additional contributions made by OCFA towards the reduction of their UAAL.

<sup>(4)</sup> Includes \$1,075,000 in additional contributions made by OCFA towards the reduction of their UAAL.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**EXHIBIT III**

**Supplementary Information Required by GASB – Schedule of Funding Progress**

<b>Actuarial Valuation Date December 31</b>	<b>Valuation Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)</b>
2008	\$7,748,380,000	\$10,860,715,000	\$3,112,335,000	71.34%	\$1,569,764,000	198.27%
2009	8,154,687,000	11,858,578,000	3,703,891,000	68.77%	1,618,491,000	228.85%
2010	8,672,592,000	12,425,873,000	3,753,281,000	69.79%	1,579,239,000	237.66%
2011	9,064,355,000	13,522,978,000	4,458,623,000	67.03%	1,619,474,000	275.31%
2012	9,469,208,000	15,144,888,000	5,675,680,000	62.52%	1,609,600,000	352.55%
2013	10,417,125,000	15,785,042,000	5,367,917,000	65.99%	1,604,496,000	334.55%

For informational purposes only, we have also developed the funded ratio determined using the historical market value of assets after adjustment for amounts in the County Investment Account (funded by pension obligation bond proceeds held by OCERS), prepaid employer contributions, unclaimed member reserve and Medicare Medical Insurance Reserve.

<b>Actuarial Valuation Date December 31</b>	<b>Funded Ratio Based on Net Market Value of Assets</b>
2008	57.51%
2009	62.94%
2010	67.25%
2011	62.60%
2012	63.17%
2013	67.65%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**EXHIBIT IV**

**Supplementary Information Required by GASB**

<b>Valuation date</b>	December 31, 2013
<b>Actuarial cost method</b>	Entry Age Actuarial Cost Method
<b>Amortization method</b>	Level percent of payroll for total unfunded liability (3.75% payroll growth assumed)
<b>Remaining amortization period</b>	Effective December 31, 2013, 20 years closed (declining) amortization of outstanding balance of December 31, 2012 UAAL. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.
<b>Asset valuation method</b>	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected return on a market value basis, and is recognized over a five-year period. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.
<b>Actuarial assumptions:</b>	
Investment rate of return	7.25%
Inflation rate	3.25%
Real across-the-board salary increase	0.50%
Projected salary increases *	4.75% to 13.75% for General members; 4.75% to 17.75% for Safety members based on service.
Cost of living adjustments	3.00%
<b>Plan membership:</b>	
Retired members and beneficiaries receiving benefits	14,505
Terminated members entitled to, but not yet receiving benefits	4,613
Active members	<u>21,368</u>
Total	40,486

\* See Exhibit V for these increases, including inflation rate.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**EXHIBIT V**

**Actuarial Assumptions and Actuarial Cost Method**

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**Post – Retirement Mortality Rates:**

*Healthy:*

For General Members and all Beneficiaries: RP-2000 Combined Healthy Mortality Table set back three years.

For Safety Members: RP-2000 Combined Healthy Mortality Table set back two years.

*Disabled:*

For General Members: RP-2000 Combined Healthy Mortality Table set forward three years.

For Safety Members: RP-2000 Combined Healthy Mortality Table set forward two years.

The mortality tables shown above were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a review of the mortality experience in the January 1, 2008 through December 31, 2010 Actuarial Experience Study.

*Employee Contribution Rates:*

For General Members: RP-2000 Combined Healthy Mortality Table set back three years, weighted 40% male and 60% female.

For Safety Members: RP-2000 Combined Healthy Mortality Table set back two years, weighted 80% male and 20% female.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Termination Rates Before Retirement:**

Age	Rate (%)			
	Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.04	0.02	0.04	0.02
30	0.04	0.02	0.04	0.02
35	0.06	0.04	0.06	0.04
40	0.09	0.06	0.10	0.06
45	0.12	0.09	0.13	0.09
50	0.17	0.13	0.19	0.14
55	0.27	0.20	0.29	0.22
60	0.47	0.35	0.53	0.39
65	0.88	0.67	1.00	0.76

All pre-retirement deaths are assumed to be non-service connected.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Termination Rates Before Retirement (Continued):**

Age	Rate (%)			
	Disability			
	General All Other <sup>(1)</sup>	General OCTA <sup>(2)</sup>	Safety - Law & Fire <sup>(3)</sup>	Safety - Probation <sup>(3)</sup>
20	0.00	0.00	0.01	0.00
25	0.00	0.00	0.04	0.06
30	0.02	0.03	0.08	0.16
35	0.06	0.08	0.22	0.20
40	0.11	0.28	0.36	0.20
45	0.14	0.46	0.52	0.20
50	0.15	0.56	0.96	0.20
55	0.18	0.84	1.68	0.20
60	0.32	1.30	3.80	0.08

<sup>(1)</sup> 50% of General All Other disabilities are assumed to be service connected disabilities. The other 50% are assumed to be non-service connected.

<sup>(2)</sup> 70% of General - OCTA disabilities are assumed to be service connected disabilities. The other 30% are assumed to be non-service connected.

<sup>(3)</sup> 100% of Safety – Law Enforcement, Fire and Probation disabilities are assumed to be service connected disabilities.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Termination Rates Before Retirement (Continued):**

Years of Service	Rate (%)			
	Termination (< 5 Years of Service)			
	General All Other <sup>(1)</sup>	General OCTA <sup>(1)</sup>	Safety – Law & Fire <sup>(2)</sup>	Safety - Probation <sup>(2)</sup>
0	13.0	20.0	4.0	20.0
1	8.0	16.0	3.0	15.0
2	7.0	12.0	2.0	10.0
3	6.0	9.0	2.0	5.0
4	5.0	7.0	1.0	4.0

Age	Termination (5+ Years of Service)			
	General All Other <sup>(3)</sup>	General OCTA <sup>(3)</sup>	Safety – Law & Fire <sup>(3)</sup>	Safety – Probation <sup>(3)</sup>
	20	5.0	4.0	1.0
25	4.4	4.0	1.0	4.0
30	4.0	4.0	1.0	3.4
35	3.4	4.0	0.9	3.0
40	3.0	3.4	0.6	2.4
45	2.4	3.0	0.5	2.0
50	2.3	3.0	0.2	2.0
55	2.5	3.0	0.0	1.4
60	2.5	3.0	0.0	0.4

<sup>(1)</sup> 50% of all terminated members will choose a refund of contributions and 50% will choose a deferred vested benefit.

<sup>(2)</sup> 40% of all terminated members will choose a refund of contributions and 60% will choose a deferred vested benefit.

<sup>(3)</sup> 30% of terminated members will choose a refund of contributions and 70% will choose a deferred vested benefit.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Retirement Rates:**

Age	Rate (%)							
	General - Enhanced	General - Non-Enhanced <sup>(1)</sup>	General - SJC (31676.12)	Safety - Law (31664.1) <sup>(2)</sup>	Safety - Law (31664.2) <sup>(2)</sup>	Safety - Fire (31664.1) <sup>(2)</sup>	Safety - Fire (31664.2) <sup>(2)</sup>	Safety - Probation <sup>(2)</sup>
49	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
50	3.0	2.0	3.0	14.0	11.5	7.0	8.0	4.0
51	2.0	2.0	3.0	14.0	12.0	9.0	10.0	4.0
52	2.0	2.0	3.0	14.0	12.7	11.0	11.0	4.0
53	2.0	2.0	3.0	14.0	17.9	12.0	12.0	4.0
54	5.0	2.0	3.0	20.0	18.8	16.0	14.0	8.0
55	15.0	3.0	4.0	20.0	30.7	20.0	24.0	12.0
56	9.0	4.0	5.0	20.0	20.0	20.0	23.0	12.0
57	9.0	6.0	6.0	20.0	20.0	25.0	27.0	16.0
58	9.0	8.0	7.0	20.0	25.0	25.0	27.0	25.0
59	9.0	8.0	9.0	25.0	30.0	30.0	36.0	25.0
60	12.0	8.0	11.0	60.0	100.0	60.0	100.0	25.0
61	12.0	8.0	13.0	60.0	100.0	60.0	100.0	25.0
62	17.0	16.0	15.0	60.0	100.0	60.0	100.0	25.0
63	15.0	16.0	15.0	60.0	100.0	60.0	100.0	50.0
64	18.0	16.0	20.0	60.0	100.0	60.0	100.0	100.0
65	20.0	20.0	20.0	100.0	100.0	100.0	100.0	100.0
66	25.0	25.0	24.0	100.0	100.0	100.0	100.0	100.0
67	21.0	21.0	24.0	100.0	100.0	100.0	100.0	100.0
68	21.0	21.0	24.0	100.0	100.0	100.0	100.0	100.0
69	21.0	21.0	24.0	100.0	100.0	100.0	100.0	100.0
70	60.0	40.0	100.0	100.0	100.0	100.0	100.0	100.0
71	60.0	40.0	100.0	100.0	100.0	100.0	100.0	100.0
72	60.0	40.0	100.0	100.0	100.0	100.0	100.0	100.0
73	60.0	40.0	100.0	100.0	100.0	100.0	100.0	100.0
74	60.0	40.0	100.0	100.0	100.0	100.0	100.0	100.0
75	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>(1)</sup> These assumptions are also used for the CalPEPRA 1.62% @ 65 formula (Plan T).

<sup>(2)</sup> Retirement rate is 100% after a member accrues a benefit of 100% of final average earnings.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Retirement Rates (Continued):**

Age	Rate (%)			
	CalPEPRA 2.5% @ 67 General Formula	CalPEPRA Safety - Probation Formula <sup>(1)</sup>	CalPEPRA Safety - Law Formula <sup>(1)</sup>	CalPEPRA Safety - Fire Formula <sup>(1)</sup>
50	0.0	3.0	10.0	7.0
51	0.0	3.0	10.5	8.5
52	4.0	3.0	11.0	9.5
53	1.5	3.0	15.5	10.5
54	1.5	7.0	16.5	12.0
55	2.5	10.5	27.0	21.0
56	3.5	10.5	17.5	20.0
57	5.5	14.0	18.0	23.5
58	7.5	22.0	22.0	23.5
59	7.5	22.0	26.0	31.5
60	7.5	100.0	100.0	100.0
61	7.5	100.0	100.0	100.0
62	15.0	100.0	100.0	100.0
63	15.0	100.0	100.0	100.0
64	15.0	100.0	100.0	100.0
65	19.0	100.0	100.0	100.0
66	25.0	100.0	100.0	100.0
67	21.0	100.0	100.0	100.0
68	21.0	100.0	100.0	100.0
69	21.0	100.0	100.0	100.0
70	40.0	100.0	100.0	100.0
71	40.0	100.0	100.0	100.0
72	40.0	100.0	100.0	100.0
73	40.0	100.0	100.0	100.0
74	40.0	100.0	100.0	100.0
75	100.0	100.0	100.0	100.0

<sup>(1)</sup> Retirement rate is 100% after a member accrues a benefit of 100% of final average earnings.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Retirement Age and Benefit for Deferred Vested Members:**

For deferred vested members, we make the following retirement age assumptions:

General Age: 57

Safety Age: 53

We assume that 25% of future General and 30% of future Safety deferred vested members are reciprocal. For reciprocals, we assume 4.75% compensation increases per annum.

**Liability Calculation for Current Deferred Vested Members:**

Liability for a current deferred vested member is calculated based on salary, service, and eligibility for reciprocal benefit as provided by the Retirement System. For those members without salary information that have 3 or more years of service, we used an average salary. For those members without salary information that have less than 3 years of service or for those members without service information, we assumed a refund of account balance.

**Future Benefit Accruals:**

1.0 year of service per year of employment. There is no assumption to anticipate conversion of unused sick leave at retirement.

**Unknown Data for Members:**

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

**Percent Married:**

80% of male members and 50% of female members are assumed to be married at retirement or time of pre-retirement death.

**Age of Spouse:**

Female (or male) three years younger (or older) than spouse.

**Net Investment Return:**

7.25%; net of investment and administrative expenses.

**Employee Contribution Crediting Rate:**

5.00%, compounded semi-annually.

**Consumer Price Index:**

Increase of 3.25% per year, retiree COLA increases due to CPI subject to a 3.0% maximum change per year.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Salary Increases:**

**Annual Rate of Compensation Increase (%)**

Inflation: 3.25% per year, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

<b>Years of Service</b>	<b>General</b>	<b>Safety</b>
Less than 1	10.00%	14.00%
1	7.00	9.00
2	6.00	8.00
3	5.00	7.00
4	4.00	5.00
5	3.00	4.00
6	2.00	3.00
7	1.75	3.00
8	1.50	2.00
9	1.25	2.00
10	1.25	1.50
11	1.25	1.50
12	1.25	1.50
13	1.25	1.50
14	1.25	1.50
15	1.25	1.50
16	1.00	1.00
17	1.00	1.00
18	1.00	1.00
19	1.00	1.00
20 & over	1.00	1.00

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Additional Cashout Assumptions:**

*Non-CalPEPRA Formulas*

Additional compensation amounts are expected to be received during a member's final average earnings period. The percentages used in this valuation are:

	<u>Final One Year Salary</u>	<u>Final Three Year Salary</u>
General Members	4.00%	2.70%
Safety - Probation	5.20%	2.70%
Safety - Law	6.60%	4.50%
Safety - Fire	4.00%	2.00%

The additional cashout assumptions are the same for service and disability retirements.

*CalPEPRA Formulas*

None

**Actuarial Value of Assets:**

Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected return on a market value basis, and is recognized over a five-year period.

**Valuation Value of Assets:**

The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

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**Actuarial Cost Method:**

Entry Age Actuarial Cost Method. Entry Age is the current age minus Vesting Credit. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salaries, with Normal Cost determined as a level percentage of individual salary, as if the current benefit accrual rate had always been in effect. Effective December 31, 2013, the outstanding balance of the UAAL from the December 31, 2012 valuation was combined and re-amortized over a declining 20-year period. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.

Please note that for Probation members who have prior benefit service in another General OCERS plan, the normal cost rate for the current plan is calculated assuming their Entry Age is the date they entered service with their current plan.

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**Changes in Actuarial Methods:**

Based on the discussions with the System, the following methods were changed. Previously, that method was as follows:

**Actuarial Cost Method:**

The outstanding balance of the December 31, 2004 UAAL is amortized over a declining 22-year period, in the December 31, 2012 valuation. The outstanding balance of the UAAL established in the December 31, 2009 valuation as a result of including additional premium pay items as pensionable salary and the new UAAL established in the December 31, 2010 valuation as a result of reallocating contributions and benefit payments among Rate Groups are also amortized over a 22-year period, in the December 31, 2012 valuation. Any increases or decreases in Unfunded Actuarial Accrued Liability that arise in future years due to actuarial gains or losses will be amortized over separate 15-year periods. Any increases or decreases in UAAL due to changes in actuarial assumptions are amortized over separate 30-year periods.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**EXHIBIT VI**

**Summary of Plan Provisions**

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This exhibit summarizes the major provisions of the OCERS included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

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**Membership Eligibility:** Membership with OCERS begins with the day of employment in an eligible position by the County or a participating employer.

**Non-CalPEPRA General Plans**

*2.5% @ 55 Plans (Orange County Sanitation District and Law Library<sup>(1)</sup>)*

*Plan G* General members hired before September 21, 1979.

*Plan H* General members hired on or after September 21, 1979  
(Sanitation District members within Supervisors and Professional unit hired on or after October 1, 2010 are in Plan B)

*2.7% @ 55 Plans (City of San Juan Capistrano, Orange County Employees except bargaining unit AFSCME members, Orange County Superior Court, Orange County Local Agency Formation Commission<sup>(1)</sup>, Orange County Employees Retirement System<sup>(2)</sup>, Children and Family Commission<sup>(3)</sup> and Orange County Fire Authority)*

*Plan I* General members hired before September 21, 1979.

*Plan J* General members hired on or after September 21, 1979.

<sup>(1)</sup> *Improvement is prospective only for service after June 23, 2005.*

<sup>(2)</sup> *Improvement for management employees is prospective only for service after June 30, 2005.*

<sup>(3)</sup> *Improvement is prospective only for service after December 22, 2005.*

*2.0% @ 55 Plans (Transportation Corridor Agency, Cemetery District – future service effective December 7, 2007 and General OCFA employees effective July 1, 2011)*

*Plan M* General members hired before September 21, 1979.

*Plan N* General members hired on or after September 21, 1979.

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

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*1.62% @ 65 Plans (Orange County Employees, Orange County Superior Court, Local Agency Formation Commission and County Managers unit)*

*Plan O* County OCEA members and Superior Court members rehired on or after May 7, 2010, LAFCO members rehired on or after July 1, 2010 and County Managers unit members rehired on or after August 17, 2010 and not electing to rejoin Plan I.

*Plan P* County OCEA members and Superior Court members hired on or after May 7, 2010, LAFCO members hired on or after July 1, 2010 and County Managers unit members hired on or after August 17, 2010 and not electing Plan J.

*2.0% @ 57 Plan (City of San Juan Capistrano)*

*Plan S* General members hired on or after July 1, 2012.

*All Other General Employers*

*Plan A* General members hired before September 21, 1979.

*Plan B* General members hired on or after September 21, 1979 and Sanitation District members within Supervisors and Professional unit hired on or after October 1, 2010

### **Non-CalPEPRA Safety Plans**

*3% @ 50 Plans (Law Enforcement, Fire Authority and Probation Members)*

*Plan E* Safety members hired before September 21, 1979.

*Plan F* Safety members hired on or after September 21, 1979 and before April 9, 2010 for Law Enforcement, before July 1, 2011 for Safety employees of OCFA Executive Management, and before July 1, 2012 for other OCFA Safety employees.

*3% @ 55 Plans (Law Enforcement, Fire Authority)*

*Plan Q* Safety Law Enforcement members rehired on or after April 9, 2010, Safety employees of OCFA Executive Management rehired on or after July 1, 2011, and other OCFA Safety employees rehired on or after July 1, 2012 and previously in Plan E.

*Plan R* Safety Law Enforcement members hired on or after April 9, 2010, Safety employees of OCFA Executive Management hired on or after July 1, 2011, and other OCFA Safety employees hired on or after July 1, 2012.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**CalPEPRA General Plans**

*1.62% @ 65 Plan (Orange County Employees except County Attorneys, Orange County Employees Retirement System except Management Employees, Children and Family Commission, Local Agency Formation Commission, and Orange County Superior Court)*

*Plan T* General members with membership dates on or after January 1, 2013.

*2.5% @ 67 Plan (All Other General Employers, Orange County Attorneys, Orange County Employees Retirement System Management Employees)*

*Plan U* General members with membership dates on or after January 1, 2013.

**CalPEPRA Safety Plans**

*2.7% @ 57 Plan (Law Enforcement, Fire Authority and Probation Members)*

*Plan V* Safety members with membership dates on or after January 1, 2013.

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**Final Compensation for  
Benefit Determination:**

*Plans A, E, G, I, M, O and Q* Highest consecutive twelve months of compensation earnable. (§31462.1) (FAS1)

*Plans B, F, H, J, N, P, R and S* Highest consecutive thirty-six months of compensation earnable. (§31462) (FAS3)

*Plans T, U and V* Highest consecutive thirty-six months of pensionable compensation. (§7522.10(c), §7522.32 and §7522.34) (FAS3)

**Service:** Years of service. (Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Service Retirement Eligibility:**

<i>Plans A, B, G, H, I, J, M, N, O, P, S and T</i>	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age. (§31672)
<i>Plan U</i>	Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service (§31672.3).
<i>Plans E, F, Q and R</i>	Age 50 with 10 years of service, or after 20 years, regardless of age. (§31663.25) All part time employees over age 55 with 10 years of employment may retire with 5 years of service.
<i>Plan V</i>	Age 50 with 5 years of service. (§7522.20(d)) or age 70 regardless of service (§31672.3).

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**Benefit Formula:**

**General Plans**

<i>2.5% @ 55</i>	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>Plan G (§31676.18)</i>	50	(2.00% x FAS1 x Yrs)
	55	(2.50% x FAS1 x Yrs)
	60	(2.50% x FAS1 x Yrs)
	62	(2.62% x FAS1 x Yrs)*
	65 or later	(2.62% x FAS1 x Yrs)*
<i>Plan H (§31676.18)</i>	50	(2.00% x FAS3 x Yrs)
	55	(2.50% x FAS3 x Yrs)
	60	(2.50% x FAS3 x Yrs)
	62	(2.50% x FAS3 x Yrs)
	65 or later	(2.50% x FAS3 x Yrs)

\* Reflects benefit factors from Plan A as they provide a better benefit than those under 2.5% @ 55.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>2.7% @ 55</i> <i>Plan I (§31676.19)</i>	50	(2.00% x FAS1 x Yrs)
	55	(2.70% x FAS1 x Yrs)
	60	(2.70% x FAS1 x Yrs)
	62	(2.70% x FAS1 x Yrs)
	65 or later	(2.70% x FAS1 x Yrs)
<i>Plan J (§31676.19)</i>	50	(2.00% x FAS3 x Yrs)
	55	(2.70% x FAS3 x Yrs)
	60	(2.70% x FAS3 x Yrs)
	62	(2.70% x FAS3 x Yrs)
	65 or later	(2.70% x FAS3 x Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

<i>2.0% @ 55</i>	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>Plan M (§31676.16)</i>	50	(1.43% x FAS1 x Yrs)
	55	(2.00% x FAS1 x Yrs)
	60	(2.34% x FAS1 x Yrs)**
	62	(2.62% x FAS1 x Yrs)**
	65 or later	(2.62% x FAS1 x Yrs)**
 <i>Plan N (§31676.16)</i>	 50	 (1.43% x FAS3 x Yrs)
	55	(2.00% x FAS3 x Yrs)
	60	(2.26% x FAS3 x Yrs)
	62	(2.37% x FAS3 x Yrs)
	65 or later	(2.43% x FAS3 x Yrs)***

\*\* Reflects benefit factors from Plan A as they provide a better benefit than those under 2.0% @ 55.

\*\*\* Reflects benefit factors from Plan B as they provide a better benefit than those under 2.0% @ 55.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>1.62% @ 65 Plan O (§31676.01)</i>	50	(0.79% x FAS1 x Yrs)
	55	(0.99% x FAS1 x Yrs)
	60	(1.28% x FAS1 x Yrs)
	62	(1.39% x FAS1 x Yrs)
	65 or later	(1.62% x FAS1 x Yrs)
<i>Plan P and Plan T (§31676.01)</i>	50	(0.79% x FAS3 x Yrs)
	55	(0.99% x FAS3 x Yrs)
	60	(1.28% x FAS3 x Yrs)
	62	(1.39% x FAS3 x Yrs)
	65 or later	(1.62% x FAS3 x Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

<i>2.0% @ 57 Plan S (§31676.12)</i>	<b>Retirement Age</b>	<b>Benefit Formula</b>
	50	(1.34% x FAS3 x Yrs)
	55	(1.77% x FAS3 x Yrs)
	60	(2.34% x FAS3 x Yrs)
	62	(2.62% x FAS3 x Yrs)
	65 or later	(2.62% x FAS3 x Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

	<b>Retirement Age</b>	<b>Benefit Formula</b>
<i>Plan A (§31676.12)</i>	50	(1.34% x FAS1 x Yrs)
	55	(1.77% x FAS1 x Yrs)
	60	(2.34% x FAS1 x Yrs)
	62	(2.62% x FAS1 x Yrs)
	65 or later	(2.62% x FAS1 x Yrs)
<i>Plan B (§31676.1)</i>	50	(1.18% x FAS3 x Yrs)
	55	(1.49% x FAS3 x Yrs)
	60	(1.92% x FAS3 x Yrs)
	62	(2.09% x FAS3 x Yrs)
	65 or later	(2.43% x FAS3 x Yrs)
<i>Plan U (§7522.20(a))</i>	52	(1.00% x FAS3 x Yrs)
	55	(1.30% x FAS3 x Yrs)
	60	(1.80% x FAS3 x Yrs)
	62	(2.00% x FAS3 x Yrs)
	65	(2.30% x FAS3 x Yrs)
	67 or later	(2.50% x FAS3 x Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Benefit Formula (continued):**

**Safety Plans**

*3% @ 50*

*Plan E (§31664.1)*

**Retirement Age**

50

55

60 or later

**Benefit Formula**

(3.00% x FAS1 x Yrs)

(3.00% x FAS1 x Yrs)

(3.00% x FAS1 x Yrs)

*Plan F (§31664.1)*

50

55

60 or later

(3.00% x FAS3 x Yrs)

(3.00% x FAS3 x Yrs)

(3.00% x FAS3 x Yrs)

*3% @ 55*

*Plan Q (§31664.2)*

50

55

60 or later

(2.29% x FAS1 x Yrs)

(3.00% x FAS1 x Yrs)

(3.00% x FAS1 x Yrs)

*Plan R (§31664.2)*

50

55

60 or later

(2.29% x FAS3 x Yrs)

(3.00% x FAS3 x Yrs)

(3.00% x FAS3 x Yrs)

*Plan V (§7522.25(d))*

50

55

57 or later

(2.00% x FAS3 x Yrs)

(2.50% x FAS3 x Yrs)

(2.70% x FAS3 x Yrs)

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Maximum Benefit:**

<i>Plans A, B, E, F, G, H, I, J, M, N, O, P, Q, R, S, and T</i>	100% of Highest Average Compensation. (§31676.01, §31676.1, §31676.12, §31676.16, §31676.18, §31676.19, §31664.1, §31664.2)
<i>Plans U and V</i>	None.

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**Ordinary Disability:**

**General Plans**

*Plans A, B, G, H, I, J, M, N, O, P, S, T and U*

*Eligibility* Five years of service. (§31720)

*Benefit Formula* Plans A, G, I, M and O:  
1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 62, but the total benefit cannot be more than one-third of Final Compensation. (§31727.1)

Plans B, H, J, N, P, S, T and U:  
1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but the total benefit cannot be more than one-third of Final Compensation. (§31727)

**Safety Plans**

*Plans E, F, Q, R and V*

*Eligibility* Five years of service. (§31720)

*Benefit Formula* 1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but the total benefit cannot be more than one-third of Final Compensation. (§31727.2)

For all members, 100% of the Service Retirement benefit will be paid, if greater.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Line-of-Duty Disability:**

*All Members*

*Eligibility* No age or service requirements. (§31720)

*Benefit Formula* 50% of the Final Compensation or 100% of Service Retirement benefit, if greater. (§31727.4)

---

**Pre-Retirement Death:**

*All Members*

*Eligibility* None.

*Benefit* Refund of employee contributions with interest plus one month's compensation for each year of service to a maximum of six month's compensation. (§31781) A lump sum benefit in the amount of \$1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary. (§31790)

*Death in line of duty* 50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children. (§31787)

OR

*Vested Members*

*Eligibility* Five years of service.

*Benefit* 60% of the greater of Service or Ordinary Disability Retirement benefit payable to eligible surviving spouse (§31765.1, §31781.1), in lieu of §31781.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Death After Retirement:**

*All Members*

*Service or*

*Ordinary Disability Retirement*

60% of member's unmodified allowance continued to eligible spouse. (§31760.1) A lump sum benefit in the amount of \$1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary. (§31790) An eligible spouse is a surviving spouse who was married to the member at least one year prior to the date of retirement. (§31760.1)

*Line-of-Duty Disability*

100% of member's allowance continued to eligible spouse. (§31786) A lump sum benefit in the amount of \$1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary. (§31790)

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**Withdrawal Benefits:**

*Less than Five Years of Service*

Refund of accumulated employee contributions with interest or earned benefit at age 70. (§31628) Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund. (§31629.5)

*Five or More Years of Service*

If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire. (§31700)

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**Post-retirement**

**Cost-of-Living Benefits:**

Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked." (§31870.1)

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**Supplemental Benefit:**

Non-vested supplemental COLA and medical benefits are also paid by the System to eligible retirees and survivors. These benefits have been excluded from this valuation.

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

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<b>Member Contributions:</b>	Please refer to Appendix B for the specific rates.
<b>Non-CalPEPRA General Plans</b>	
<i>Plan A</i>	
<i>Basic</i>	Provide for an average annuity payable at age 60 equal to 1/200 of FAS1. (§31621.5)
<i>Cost-of-Living</i>	Provide for 50% of future Cost-of-Living costs.
<i>Plan B</i>	
<i>Basic</i>	Provide for an average annuity payable at age 60 equal to 1/120 of FAS3. (§31621)
<i>Cost-of-Living</i>	Provide for 50% of future Cost-of-Living costs.
<i>Plans G, H, I and J</i>	
<i>Basic</i>	Provide for an average annuity payable at age 55 equal to 1/100 of FAS3 (FAS1 for Plans G and I). (§31621.8)
<i>Cost-of-Living</i>	Provide for 50% of future Cost-of-Living costs.
<i>Plan M, N, O and P</i>	
<i>Basic</i>	Provide for an average annuity payable at age 60 equal to 1/120 of FAS3 (FAS1 for Plans M and O). (§31621)
<i>Cost-of-Living</i>	Provide for 50% of future Cost-of-Living costs.
<i>Plan S</i>	
<i>Basic</i>	Provide for an average annuity at age 60 equal to 1/100 of FAS3. (§31621.2)
<i>Cost-of-Living</i>	Provide for 50% of future Cost-of-Living costs.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

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**Member Contributions (Continued):**

**Non-CalPEPRA Safety Plans**

*Plans E and Q*

*Basic*

Provide for an average annuity payable at age 50 equal to 1/200 FAS1. (§31639.5)

*Cost-of-Living*

Provide for 50% of future Cost-of-Living costs.

*Plans F and R*

*Basic*

Provide for an average annuity payable at age 50 equal to 1/100 of FAS3. (§31639.25)

*Cost-of-Living*

Provide for 50% of future Cost-of-Living costs.

**CalPEPRA Plans**

*Plans T, U and V*

50% of total Normal Cost rate.

**Other Information:**

Non-CalPEPRA Safety members with 30 or more years of service are exempt from paying member contributions. This also applies for General members hired on or before March 7, 1973.

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**NOTE:** *The summary of major plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so that both can be sure the proper provisions are valued.*

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
<i>General Members</i>						
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)						
	12/31/2012	Restart amortization	\$116,996,000	20	\$116,996,000	\$8,176,000
	12/31/2013	Actuarial (gain) or loss	(9,575,000)	20	<u>(9,575,000)</u>	<u>(669,000)</u>
Subtotal					\$107,421,000	\$7,507,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #2 – Plans I, J, O, P, S, T and U						
	12/31/2012	Restart amortization	\$3,438,555,000	20	\$3,438,555,000	\$240,301,000
	12/31/2013	Actuarial (gain) or loss	(173,790,000)	20	<u>(173,790,000)</u>	<u>(12,145,000)</u>
Subtotal					\$3,264,765,000	\$228,156,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)						
	12/31/2012	Restart amortization	\$213,425,000	20	\$213,425,000	\$14,916,000
	12/31/2013	Actuarial (gain) or loss	(15,594,000)	20	<u>(15,594,000)</u>	<u>(1,090,000)</u>
Subtotal					\$197,831,000	\$13,826,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #5 – Plans A and B (OCTA)						
	12/31/2012	Restart amortization	\$232,513,000	20	\$232,513,000	\$16,249,000
	12/31/2013	Actuarial (gain) or loss	(13,471,000)	20	<u>(13,471,000)</u>	<u>(941,000)</u>
Subtotal					\$219,042,000	\$15,308,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #9 – Plans M, N and U (TCA)						
	12/31/2012	Restart amortization	\$11,906,000	20	\$11,906,000	\$834,000
	12/31/2013	Actuarial (gain) or loss	(684,000)	20	<u>(684,000)</u>	<u>(48,000)</u>
Subtotal					\$11,222,000	\$786,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #10 – Plans I, J, M, N and U (OCFA)						
	12/31/2012	Restart amortization	\$72,750,000	20	\$72,750,000	\$5,084,000
	12/31/2013	Actuarial (gain) or loss	(2,659,000)	20	<u>(2,659,000)</u>	<u>(186,000)</u>
Subtotal					\$70,091,000	\$4,898,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #11 – Plans M and N, future service, and U (Cemetery)						
	12/31/2012	Restart amortization	\$1,980,000	20	\$1,980,000	\$140,000
	12/31/2013	Actuarial (gain) or loss	(259,000)	20	<u>(259,000)</u>	<u>(18,000)</u>
Subtotal					\$1,721,000	\$122,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
<i>Safety Members</i>						
Rate Group #6 – Plans E, F and V (Probation)						
	12/31/2012	Restart amortization	\$192,912,000	20	\$192,912,000	\$13,483,000
	12/31/2013	Actuarial (gain) or loss	(14,039,000)	20	<u>(14,039,000)</u>	<u>(981,000)</u>
Subtotal					\$178,873,000	\$12,502,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)						
	12/31/2012	Restart amortization	\$988,833,000	20	\$988,833,000	\$69,106,000
	12/31/2013	Actuarial (gain) or loss	(51,652,000)	20	<u>(51,652,000)</u>	<u>(3,610,000)</u>
Subtotal					\$937,181,000	\$65,496,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)						
	12/31/2012	Restart amortization	\$399,947,000	20	\$399,947,000	\$27,949,000
	12/31/2013	Actuarial (gain) or loss	(20,177,000)	20	<u>(20,177,000)</u>	<u>(1,410,000)</u>
Subtotal					\$379,770,000	\$26,539,000

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix A (Continued)**

**UAAL Amortization Schedule as of December 31, 2013**

<b>Rate Groups</b>	<b>Date Established</b>	<b>Source</b>	<b>Initial Base</b>	<b>Years Remaining</b>	<b>Remaining Base</b>	<b>Amortization Amount</b>
All Rate Groups Combined						
	12/31/2012	Restart amortization	\$5,669,830,000	20	\$5,669,830,000	\$396,238,000
	12/31/2013	Actuarial (gain) or loss	(301,913,000)	20	<u>(301,913,000)</u>	<u>(21,098,000)</u>
Grand Total					<u>\$5,367,917,000</u>	<u>\$375,140,000</u>

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix B**

**Member Contribution Rates**

**General Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan I (2.7% @ 55 Non-OCFA)</u>		<u>Plan G (2.5% @ 55)</u>		<u>Plan M (2.0% @ 55)*</u>		<u>Plan A (OCTA)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	7.48%	10.42%	7.48%	10.27%	5.45%	7.89%	3.27%	5.44%
16	7.48%	10.42%	7.48%	10.27%	5.45%	7.89%	3.27%	5.44%
17	7.59%	10.57%	7.59%	10.42%	5.53%	8.00%	3.32%	5.52%
18	7.70%	10.72%	7.70%	10.57%	5.61%	8.12%	3.36%	5.60%
19	7.81%	10.87%	7.81%	10.72%	5.69%	8.23%	3.41%	5.68%
20	7.92%	11.03%	7.92%	10.87%	5.77%	8.35%	3.46%	5.76%
21	8.03%	11.18%	8.03%	11.03%	5.85%	8.47%	3.51%	5.84%
22	8.15%	11.34%	8.15%	11.19%	5.93%	8.59%	3.56%	5.93%
23	8.26%	11.50%	8.26%	11.35%	6.02%	8.71%	3.61%	6.01%
24	8.38%	11.67%	8.38%	11.51%	6.10%	8.84%	3.66%	6.10%
25	8.50%	11.84%	8.50%	11.67%	6.19%	8.97%	3.72%	6.18%
26	8.62%	12.01%	8.62%	11.84%	6.28%	9.09%	3.77%	6.27%
27	8.75%	12.18%	8.75%	12.01%	6.37%	9.22%	3.82%	6.36%
28	8.87%	12.36%	8.87%	12.18%	6.46%	9.35%	3.88%	6.45%
29	9.00%	12.53%	9.00%	12.36%	6.55%	9.49%	3.93%	6.54%
30	9.13%	12.72%	9.13%	12.54%	6.65%	9.62%	3.99%	6.64%
31	9.27%	12.90%	9.27%	12.72%	6.74%	9.76%	4.05%	6.73%
32	9.40%	13.09%	9.40%	12.91%	6.84%	9.90%	4.10%	6.83%
33	9.54%	13.29%	9.54%	13.10%	6.94%	10.05%	4.16%	6.93%
34	9.69%	13.49%	9.69%	13.30%	7.04%	10.19%	4.22%	7.03%
35	9.83%	13.69%	9.83%	13.50%	7.14%	10.34%	4.28%	7.13%
36	9.99%	13.91%	9.99%	13.71%	7.25%	10.49%	4.35%	7.24%
37	10.14%	14.12%	10.14%	13.93%	7.35%	10.65%	4.41%	7.34%
38	10.31%	14.35%	10.31%	14.15%	7.46%	10.81%	4.48%	7.45%
39	10.45%	14.55%	10.45%	14.35%	7.57%	10.97%	4.54%	7.56%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan I (2.7% @ 55 Non-OCFA)</u>		<u>Plan G (2.5% @ 55)</u>		<u>Plan M (2.0% @ 55)*</u>		<u>Plan A (OCTA)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
40	10.60%	14.76%	10.60%	14.56%	7.69%	11.13%	4.61%	7.68%
41	10.76%	14.98%	10.76%	14.77%	7.81%	11.31%	4.69%	7.80%
42	10.92%	15.21%	10.92%	15.00%	7.93%	11.48%	4.76%	7.92%
43	11.10%	15.45%	11.10%	15.24%	8.06%	11.67%	4.84%	8.05%
44	11.28%	15.71%	11.28%	15.49%	8.17%	11.83%	4.90%	8.16%
45	11.49%	15.99%	11.49%	15.77%	8.29%	12.00%	4.97%	8.28%
46	11.68%	16.27%	11.68%	16.04%	8.41%	12.18%	5.05%	8.40%
47	11.88%	16.54%	11.88%	16.31%	8.54%	12.36%	5.12%	8.53%
48	12.08%	16.81%	12.08%	16.58%	8.68%	12.56%	5.21%	8.66%
49	12.20%	16.99%	12.20%	16.75%	8.82%	12.77%	5.29%	8.81%
50	12.26%	17.06%	12.26%	16.83%	8.98%	13.00%	5.39%	8.97%
51	12.24%	17.04%	12.24%	16.80%	9.13%	13.23%	5.48%	9.12%
52	12.16%	16.93%	12.16%	16.69%	9.29%	13.45%	5.57%	9.27%
53	12.02%	16.73%	12.02%	16.50%	9.44%	13.67%	5.67%	9.43%
54	11.68%	16.26%	11.68%	16.03%	9.54%	13.81%	5.72%	9.53%
55	11.68%	16.26%	11.68%	16.03%	9.58%	13.88%	5.75%	9.57%
56	11.68%	16.26%	11.68%	16.03%	9.57%	13.86%	5.74%	9.56%
57	11.68%	16.26%	11.68%	16.03%	9.50%	13.76%	5.70%	9.49%
58	11.68%	16.26%	11.68%	16.03%	9.40%	13.61%	5.64%	9.38%
59	11.68%	16.26%	11.68%	16.03%	9.13%	13.22%	5.48%	9.12%
60	11.68%	16.26%	11.68%	16.03%	9.13%	13.22%	5.48%	9.12%
<i>COLA Loading:</i>		39.24%		37.31%		44.79%		66.43%

*Interest:* 7.25%  
*Salary Increases:* See Exhibit V, page 78  
*Mortality:* See Exhibit V, page 71

\* Payable by members in Rate Group #9 and Rate Group #11.

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan A (Non-OCTA)</u>		<u>Plan I (2.7% @ 55 OCFA)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	3.27%	5.25%	7.48%	10.46%
16	3.27%	5.25%	7.48%	10.46%
17	3.32%	5.33%	7.59%	10.61%
18	3.36%	5.40%	7.70%	10.76%
19	3.41%	5.48%	7.81%	10.91%
20	3.46%	5.56%	7.92%	11.07%
21	3.51%	5.64%	8.03%	11.23%
22	3.56%	5.72%	8.15%	11.39%
23	3.61%	5.80%	8.26%	11.55%
24	3.66%	5.89%	8.38%	11.72%
25	3.72%	5.97%	8.50%	11.88%
26	3.77%	6.05%	8.62%	12.05%
27	3.82%	6.14%	8.75%	12.23%
28	3.88%	6.23%	8.87%	12.40%
29	3.93%	6.32%	9.00%	12.58%
30	3.99%	6.41%	9.13%	12.77%
31	4.05%	6.50%	9.27%	12.95%
32	4.10%	6.59%	9.40%	13.15%
33	4.16%	6.69%	9.54%	13.34%
34	4.22%	6.79%	9.69%	13.54%
35	4.28%	6.88%	9.83%	13.75%
36	4.35%	6.99%	9.99%	13.96%
37	4.41%	7.09%	10.14%	14.18%
38	4.48%	7.19%	10.31%	14.41%
39	4.54%	7.30%	10.45%	14.61%
40	4.61%	7.41%	10.60%	14.82%
41	4.69%	7.53%	10.76%	15.04%
42	4.76%	7.65%	10.92%	15.27%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan A (Non-OCTA)</u>		<u>Plan I (2.7% @ 55 OCFA)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
43	4.84%	7.77%	11.10%	15.51%
44	4.90%	7.88%	11.28%	15.77%
45	4.97%	7.99%	11.49%	16.06%
46	5.05%	8.11%	11.68%	16.33%
47	5.12%	8.23%	11.88%	16.60%
48	5.21%	8.36%	12.08%	16.88%
49	5.29%	8.50%	12.20%	17.06%
50	5.39%	8.66%	12.26%	17.13%
51	5.48%	8.81%	12.24%	17.11%
52	5.57%	8.95%	12.16%	16.99%
53	5.67%	9.10%	12.02%	16.80%
54	5.72%	9.20%	11.68%	16.32%
55	5.75%	9.24%	11.68%	16.32%
56	5.74%	9.23%	11.68%	16.32%
57	5.70%	9.16%	11.68%	16.32%
58	5.64%	9.06%	11.68%	16.32%
59	5.48%	8.80%	11.68%	16.32%
60	5.48%	8.80%	11.68%	16.32%

*COLA Loading:* 60.67% 39.79%

*Interest:* 7.25%  
*Salary Increases:* See Exhibit V, page 78  
*Mortality:* See Exhibit V, page 71

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan J (2.7% @ 55 non-OCFA)</u>		<u>Plan H (2.5% @ 55)</u>		<u>Plan N (2.0% @ 55)*</u>		<u>Plan B (OCTA)</u>		<u>Plan B (non-OCTA, non-OCSD)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	7.15%	9.95%	7.15%	9.81%	5.21%	7.54%	5.21%	7.28%	5.21%	7.10%
16	7.15%	9.95%	7.15%	9.81%	5.21%	7.54%	5.21%	7.28%	5.21%	7.10%
17	7.25%	10.09%	7.25%	9.96%	5.28%	7.65%	5.28%	7.39%	5.28%	7.20%
18	7.35%	10.24%	7.35%	10.10%	5.36%	7.76%	5.36%	7.49%	5.36%	7.31%
19	7.46%	10.39%	7.46%	10.24%	5.43%	7.87%	5.43%	7.60%	5.43%	7.41%
20	7.56%	10.53%	7.56%	10.39%	5.51%	7.98%	5.51%	7.71%	5.51%	7.52%
21	7.67%	10.68%	7.67%	10.54%	5.59%	8.09%	5.59%	7.82%	5.59%	7.62%
22	7.78%	10.84%	7.78%	10.69%	5.67%	8.21%	5.67%	7.93%	5.67%	7.73%
23	7.89%	10.99%	7.89%	10.84%	5.75%	8.33%	5.75%	8.04%	5.75%	7.84%
24	8.01%	11.15%	8.01%	10.99%	5.83%	8.44%	5.83%	8.16%	5.83%	7.95%
25	8.12%	11.31%	8.12%	11.15%	5.92%	8.56%	5.92%	8.27%	5.92%	8.07%
26	8.24%	11.47%	8.24%	11.31%	6.00%	8.69%	6.00%	8.39%	6.00%	8.18%
27	8.36%	11.64%	8.36%	11.47%	6.09%	8.81%	6.09%	8.51%	6.09%	8.30%
28	8.48%	11.80%	8.48%	11.64%	6.17%	8.94%	6.17%	8.63%	6.17%	8.42%
29	8.60%	11.97%	8.60%	11.81%	6.26%	9.06%	6.26%	8.76%	6.26%	8.54%
30	8.73%	12.15%	8.73%	11.98%	6.35%	9.19%	6.35%	8.88%	6.35%	8.66%
31	8.85%	12.33%	8.85%	12.16%	6.44%	9.33%	6.44%	9.01%	6.44%	8.79%
32	8.98%	12.51%	8.98%	12.34%	6.53%	9.46%	6.53%	9.14%	6.53%	8.91%
33	9.12%	12.70%	9.12%	12.52%	6.63%	9.60%	6.63%	9.27%	6.63%	9.04%
34	9.25%	12.89%	9.25%	12.71%	6.72%	9.74%	6.72%	9.40%	6.72%	9.17%
35	9.40%	13.08%	9.40%	12.90%	6.82%	9.88%	6.82%	9.54%	6.82%	9.31%
36	9.54%	13.28%	9.54%	13.10%	6.92%	10.02%	6.92%	9.68%	6.92%	9.44%
37	9.68%	13.48%	9.68%	13.30%	7.02%	10.17%	7.02%	9.82%	7.02%	9.58%
38	9.82%	13.68%	9.82%	13.49%	7.13%	10.32%	7.13%	9.97%	7.13%	9.72%
39	9.96%	13.87%	9.96%	13.68%	7.24%	10.48%	7.24%	10.12%	7.24%	9.87%
40	10.10%	14.07%	10.10%	13.87%	7.35%	10.64%	7.35%	10.28%	7.35%	10.02%
41	10.25%	14.28%	10.25%	14.08%	7.46%	10.80%	7.46%	10.43%	7.46%	10.18%
42	10.41%	14.49%	10.41%	14.29%	7.57%	10.96%	7.57%	10.59%	7.57%	10.33%

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

**General Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<b>Plan J (2.7% @ 55 non-OCFA)</b>		<b>Plan H (2.5% @ 55)</b>		<b>Plan N (2.0% @ 55)*</b>		<b>Plan B (OCTA)</b>		<b>Plan B (non-OCTA, non-OCSD)</b>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Normal</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
43	10.58%	14.73%	10.58%	14.52%	7.68%	11.12%	7.68%	10.74%	7.68%	10.48%
44	10.75%	14.96%	10.75%	14.75%	7.79%	11.28%	7.79%	10.89%	7.79%	10.62%
45	10.91%	15.20%	10.91%	14.99%	7.90%	11.44%	7.90%	11.05%	7.90%	10.78%
46	11.08%	15.42%	11.08%	15.21%	8.02%	11.61%	8.02%	11.21%	8.02%	10.93%
47	11.21%	15.61%	11.21%	15.39%	8.14%	11.79%	8.14%	11.38%	8.14%	11.10%
48	11.30%	15.73%	11.30%	15.51%	8.27%	11.97%	8.27%	11.57%	8.27%	11.28%
49	11.31%	15.75%	11.31%	15.53%	8.40%	12.17%	8.40%	11.75%	8.40%	11.46%
50	11.26%	15.68%	11.26%	15.47%	8.53%	12.36%	8.53%	11.94%	8.53%	11.64%
51	11.15%	15.53%	11.15%	15.31%	8.66%	12.54%	8.66%	12.11%	8.66%	11.81%
52	10.93%	15.21%	10.93%	15.00%	8.77%	12.69%	8.77%	12.26%	8.77%	11.96%
53	11.29%	15.72%	11.29%	15.51%	8.83%	12.79%	8.83%	12.35%	8.83%	12.05%
54	11.68%	16.26%	11.68%	16.03%	8.85%	12.81%	8.85%	12.37%	8.85%	12.07%
55	11.68%	16.26%	11.68%	16.03%	8.81%	12.75%	8.81%	12.32%	8.81%	12.01%
56	11.68%	16.26%	11.68%	16.03%	8.72%	12.63%	8.72%	12.20%	8.72%	11.90%
57	11.68%	16.26%	11.68%	16.03%	8.54%	12.37%	8.54%	11.95%	8.54%	11.65%
58	11.68%	16.26%	11.68%	16.03%	8.83%	12.78%	8.83%	12.35%	8.83%	12.04%
59	11.68%	16.26%	11.68%	16.03%	9.13%	13.22%	9.13%	12.77%	9.13%	12.45%
60	11.68%	16.26%	11.68%	16.03%	9.13%	13.22%	9.13%	12.77%	9.13%	12.45%
<i>COLA Loading:</i>		39.24%		37.31%		44.79%		39.86%		36.40%
<i>Interest:</i>	7.25%									
<i>Salary Increases:</i>	See Exhibit V, page 78									
<i>Mortality:</i>	See Exhibit V, page 71									

\* Payable by members in Rate Group #9 and Rate Group #11.

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

**General Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan J (2.7% @ 55 OCFA)</u>		<u>Plan P (1.62% @ 65)</u>		<u>Plan B (OCSD)</u>		<u>Plan N (OCFA)</u>		<u>Plan S (City of SJC)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	7.15%	9.99%	5.21%	6.55%	5.21%	7.20%	5.21%	7.59%	6.25%	8.70%
16	7.15%	9.99%	5.21%	6.55%	5.21%	7.20%	5.21%	7.59%	6.25%	8.70%
17	7.25%	10.13%	5.28%	6.65%	5.28%	7.30%	5.28%	7.70%	6.34%	8.82%
18	7.35%	10.28%	5.36%	6.74%	5.36%	7.40%	5.36%	7.81%	6.43%	8.95%
19	7.46%	10.43%	5.43%	6.84%	5.43%	7.51%	5.43%	7.92%	6.52%	9.08%
20	7.56%	10.57%	5.51%	6.94%	5.51%	7.62%	5.51%	8.04%	6.61%	9.21%
21	7.67%	10.73%	5.59%	7.03%	5.59%	7.73%	5.59%	8.15%	6.71%	9.34%
22	7.78%	10.88%	5.67%	7.14%	5.67%	7.84%	5.67%	8.27%	6.80%	9.47%
23	7.89%	11.03%	5.75%	7.24%	5.75%	7.95%	5.75%	8.39%	6.90%	9.61%
24	8.01%	11.19%	5.83%	7.34%	5.83%	8.06%	5.83%	8.51%	7.00%	9.74%
25	8.12%	11.35%	5.92%	7.44%	5.92%	8.18%	5.92%	8.63%	7.10%	9.88%
26	8.24%	11.52%	6.00%	7.55%	6.00%	8.29%	6.00%	8.75%	7.20%	10.02%
27	8.36%	11.68%	6.09%	7.66%	6.09%	8.41%	6.09%	8.88%	7.30%	10.17%
28	8.48%	11.85%	6.17%	7.77%	6.17%	8.53%	6.17%	9.00%	7.41%	10.31%
29	8.60%	12.02%	6.26%	7.88%	6.26%	8.65%	6.26%	9.13%	7.51%	10.46%
30	8.73%	12.20%	6.35%	7.99%	6.35%	8.78%	6.35%	9.26%	7.62%	10.61%
31	8.85%	12.38%	6.44%	8.11%	6.44%	8.90%	6.44%	9.39%	7.73%	10.76%
32	8.98%	12.56%	6.53%	8.22%	6.53%	9.03%	6.53%	9.53%	7.84%	10.92%
33	9.12%	12.75%	6.63%	8.34%	6.63%	9.16%	6.63%	9.67%	7.95%	11.07%
34	9.25%	12.94%	6.72%	8.46%	6.72%	9.30%	6.72%	9.81%	8.07%	11.24%
35	9.40%	13.13%	6.82%	8.59%	6.82%	9.43%	6.82%	9.95%	8.19%	11.40%
36	9.54%	13.34%	6.92%	8.71%	6.92%	9.57%	6.92%	10.10%	8.31%	11.57%
37	9.68%	13.54%	7.02%	8.84%	7.02%	9.71%	7.02%	10.25%	8.43%	11.74%
38	9.82%	13.73%	7.13%	8.97%	7.13%	9.85%	7.13%	10.40%	8.56%	11.91%
39	9.96%	13.92%	7.24%	9.11%	7.24%	10.00%	7.24%	10.55%	8.68%	12.09%
40	10.10%	14.12%	7.35%	9.25%	7.35%	10.16%	7.35%	10.72%	8.82%	12.27%
41	10.25%	14.33%	7.46%	9.39%	7.46%	10.31%	7.46%	10.88%	8.95%	12.46%
42	10.41%	14.55%	7.57%	9.53%	7.57%	10.47%	7.57%	11.04%	9.09%	12.65%

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

**General Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan J (2.7% @ 55 OCFA)</u>		<u>Plan P (1.62% @ 65)</u>		<u>Plan B (OCSD)</u>		<u>Plan N (OCFA)</u>		<u>Plan S (City of SJC)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Normal</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
43	10.58%	14.78%	7.68%	9.67%	7.68%	10.62%	7.68%	11.20%	9.22%	12.83%
44	10.75%	15.02%	7.79%	9.80%	7.79%	10.77%	7.79%	11.36%	9.35%	13.01%
45	10.91%	15.26%	7.90%	9.94%	7.90%	10.92%	7.90%	11.52%	9.48%	13.20%
46	11.08%	15.48%	8.02%	10.09%	8.02%	11.08%	8.02%	11.69%	9.62%	13.39%
47	11.21%	15.67%	8.14%	10.24%	8.14%	11.25%	8.14%	11.87%	9.77%	13.60%
48	11.30%	15.79%	8.27%	10.41%	8.27%	11.43%	8.27%	12.06%	9.92%	13.82%
49	11.31%	15.81%	8.40%	10.57%	8.40%	11.61%	8.40%	12.25%	10.08%	14.04%
50	11.26%	15.75%	8.53%	10.74%	8.53%	11.80%	8.53%	12.45%	10.24%	14.26%
51	11.15%	15.59%	8.66%	10.90%	8.66%	11.97%	8.66%	12.63%	10.39%	14.47%
52	10.93%	15.27%	8.77%	11.03%	8.77%	12.12%	8.77%	12.78%	10.52%	14.64%
53	11.29%	15.79%	8.83%	11.12%	8.83%	12.21%	8.83%	12.88%	10.60%	14.76%
54	11.68%	16.32%	8.85%	11.13%	8.85%	12.23%	8.85%	12.90%	10.62%	14.78%
55	11.68%	16.32%	8.81%	11.09%	8.81%	12.18%	8.81%	12.85%	10.57%	14.72%
56	11.68%	16.32%	8.72%	10.98%	8.72%	12.06%	8.72%	12.72%	10.47%	14.57%
57	11.68%	16.32%	8.54%	10.75%	8.54%	11.81%	8.54%	12.46%	10.25%	14.27%
58	11.68%	16.32%	8.83%	11.11%	8.83%	12.21%	8.83%	12.88%	10.60%	14.75%
59	11.68%	16.32%	9.13%	11.49%	9.13%	12.62%	9.13%	13.32%	10.96%	15.25%
60	11.68%	16.32%	9.13%	11.49%	9.13%	12.62%	9.13%	13.32%	10.96%	15.25%
<i>COLA Loading:</i>		39.79%		25.86%		38.23%		45.85%		39.23%
<i>Interest:</i>	7.25%									
<i>Salary Increases:</i>	See Exhibit V, page 78									
<i>Mortality:</i>	See Exhibit V, page 71									

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

<u>Entry Age</u>	<u>Rate Group 1 – Plan U</u>		<u>Rate Group 2 – Plan T</u>		<u>Rate Group 2 – Plan U</u>		<u>Rate Group 3 – Plan U</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	5.86%	8.06%	3.75%	5.06%	5.27%	7.32%	5.78%	8.01%
16	5.86%	8.06%	3.75%	5.06%	5.27%	7.32%	5.78%	8.01%
17	5.57%	7.67%	3.80%	5.13%	5.01%	6.96%	5.50%	7.62%
18	5.27%	7.25%	3.86%	5.21%	4.74%	6.58%	5.20%	7.21%
19	5.34%	7.36%	3.91%	5.28%	4.81%	6.68%	5.27%	7.31%
20	5.42%	7.46%	3.97%	5.36%	4.88%	6.77%	5.35%	7.42%
21	5.50%	7.57%	4.02%	5.44%	4.95%	6.87%	5.43%	7.53%
22	5.58%	7.68%	4.08%	5.51%	5.02%	6.97%	5.51%	7.63%
23	5.66%	7.79%	4.14%	5.59%	5.09%	7.07%	5.59%	7.74%
24	5.74%	7.90%	4.20%	5.67%	5.16%	7.17%	5.67%	7.86%
25	5.82%	8.02%	4.26%	5.75%	5.24%	7.28%	5.75%	7.97%
26	5.90%	8.13%	4.32%	5.83%	5.31%	7.38%	5.83%	8.08%
27	5.99%	8.25%	4.38%	5.92%	5.39%	7.49%	5.91%	8.20%
28	6.07%	8.36%	4.44%	6.00%	5.47%	7.59%	6.00%	8.31%
29	6.16%	8.48%	4.51%	6.09%	5.54%	7.70%	6.08%	8.43%
30	6.25%	8.60%	4.57%	6.17%	5.62%	7.81%	6.17%	8.55%
31	6.34%	8.73%	4.64%	6.26%	5.70%	7.92%	6.26%	8.68%
32	6.43%	8.85%	4.70%	6.35%	5.79%	8.04%	6.35%	8.80%
33	6.52%	8.98%	4.77%	6.45%	5.87%	8.15%	6.44%	8.93%
34	6.61%	9.11%	4.84%	6.54%	5.95%	8.27%	6.53%	9.05%
35	6.71%	9.24%	4.91%	6.63%	6.04%	8.38%	6.62%	9.18%
36	6.80%	9.37%	4.98%	6.73%	6.12%	8.50%	6.72%	9.31%
37	6.90%	9.50%	5.06%	6.83%	6.21%	8.63%	6.81%	9.45%
38	7.00%	9.64%	5.13%	6.93%	6.30%	8.75%	6.91%	9.58%
39	7.10%	9.78%	5.21%	7.04%	6.39%	8.88%	7.01%	9.72%
40	7.20%	9.92%	5.29%	7.14%	6.48%	9.00%	7.11%	9.86%
41	7.31%	10.06%	5.37%	7.25%	6.58%	9.13%	7.22%	10.00%
42	7.42%	10.21%	5.45%	7.36%	6.67%	9.27%	7.32%	10.15%
43	7.52%	10.36%	5.53%	7.47%	6.77%	9.40%	7.43%	10.30%
44	7.64%	10.51%	5.61%	7.57%	6.87%	9.54%	7.54%	10.45%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Rate Group 1 – Plan U</u>		<u>Rate Group 2 – Plan T</u>		<u>Rate Group 2 – Plan U</u>		<u>Rate Group 3 – Plan U</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
45	7.75%	10.67%	5.69%	7.68%	6.97%	9.68%	7.65%	10.61%
46	7.87%	10.83%	5.77%	7.80%	7.08%	9.83%	7.76%	10.77%
47	7.99%	10.99%	5.86%	7.91%	7.19%	9.98%	7.88%	10.93%
48	8.11%	11.16%	5.95%	8.04%	7.30%	10.13%	8.00%	11.10%
49	8.23%	11.33%	6.05%	8.17%	7.41%	10.29%	8.12%	11.26%
50	8.35%	11.49%	6.14%	8.30%	7.51%	10.43%	8.24%	11.43%
51	8.47%	11.66%	6.23%	8.42%	7.62%	10.58%	8.36%	11.59%
52	8.59%	11.82%	6.31%	8.52%	7.73%	10.73%	8.48%	11.75%
53	8.71%	12.00%	6.36%	8.59%	7.84%	10.89%	8.60%	11.93%
54	8.85%	12.18%	6.37%	8.60%	7.96%	11.06%	8.73%	12.11%
55	8.99%	12.37%	6.34%	8.57%	8.09%	11.23%	8.87%	12.30%
56	9.13%	12.57%	6.28%	8.48%	8.22%	11.41%	9.02%	12.50%
57	9.28%	12.77%	6.15%	8.31%	8.35%	11.59%	9.16%	12.70%
58	9.41%	12.96%	6.36%	8.59%	8.47%	11.76%	9.29%	12.88%
59	9.53%	13.12%	6.57%	8.88%	8.57%	11.91%	9.41%	13.04%
60	9.60%	13.22%	6.57%	8.88%	8.64%	12.00%	9.48%	13.14%
61	9.61%	13.24%	6.57%	8.88%	8.65%	12.02%	9.49%	13.16%
62	9.57%	13.18%	6.57%	8.88%	8.61%	11.96%	9.45%	13.10%
63	9.48%	13.05%	6.57%	8.88%	8.53%	11.85%	9.36%	12.97%
64	9.29%	12.79%	6.57%	8.88%	8.36%	11.61%	9.17%	12.71%
65	9.60%	13.21%	6.57%	8.88%	8.64%	11.99%	9.47%	13.14%
66 and thereafter	9.92%	13.66%	6.57%	8.88%	8.93%	12.40%	9.80%	13.58%
<i>COLA Loading:</i>		37.68%		35.08%		38.74%		38.59%
<i>Interest:</i>	7.25%							
<i>Salary Increases:</i>	See Exhibit V, page 78							
<i>Mortality:</i>	See Exhibit V, page 71							

*It is our understanding that in the determination of pension benefits under the CalPEPRA 2.5% at 67 formula, the compensation that can be taken into account for 2014 is equal to \$138,077 or 120% of \$115,064 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2014 (reference: Section 7522.10(d)).*

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Rate Group 9 – Plan U</u>		<u>Rate Group 10 – Plan U</u>		<u>Rate Group 11 – Plan U</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	6.01%	8.08%	5.63%	7.73%	5.80%	7.96%
16	6.01%	8.08%	5.63%	7.73%	5.80%	7.96%
17	5.72%	7.68%	5.35%	7.35%	5.51%	7.57%
18	5.41%	7.27%	5.06%	6.95%	5.21%	7.16%
19	5.49%	7.37%	5.14%	7.05%	5.29%	7.26%
20	5.57%	7.48%	5.21%	7.15%	5.37%	7.37%
21	5.65%	7.59%	5.29%	7.26%	5.44%	7.47%
22	5.73%	7.69%	5.36%	7.36%	5.52%	7.58%
23	5.81%	7.81%	5.44%	7.47%	5.60%	7.69%
24	5.89%	7.92%	5.52%	7.58%	5.68%	7.80%
25	5.98%	8.03%	5.60%	7.68%	5.76%	7.91%
26	6.06%	8.15%	5.68%	7.79%	5.85%	8.02%
27	6.15%	8.26%	5.76%	7.91%	5.93%	8.14%
28	6.24%	8.38%	5.84%	8.02%	6.01%	8.25%
29	6.33%	8.50%	5.92%	8.13%	6.10%	8.37%
30	6.42%	8.62%	6.01%	8.25%	6.19%	8.49%
31	6.51%	8.74%	6.10%	8.37%	6.28%	8.61%
32	6.60%	8.87%	6.18%	8.49%	6.37%	8.74%
33	6.70%	9.00%	6.27%	8.61%	6.46%	8.86%
34	6.79%	9.12%	6.36%	8.73%	6.55%	8.99%
35	6.89%	9.25%	6.45%	8.86%	6.64%	9.12%
36	6.99%	9.39%	6.54%	8.98%	6.74%	9.25%
37	7.09%	9.52%	6.64%	9.11%	6.83%	9.38%
38	7.19%	9.66%	6.73%	9.24%	6.93%	9.51%
39	7.29%	9.80%	6.83%	9.37%	7.03%	9.65%
40	7.40%	9.94%	6.93%	9.51%	7.13%	9.79%
41	7.51%	10.08%	7.03%	9.65%	7.24%	9.93%
42	7.62%	10.23%	7.13%	9.79%	7.34%	10.08%
43	7.73%	10.38%	7.24%	9.93%	7.45%	10.22%
44	7.84%	10.53%	7.34%	10.08%	7.56%	10.37%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**General CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Rate Group 9 – Plan U</u>		<u>Rate Group 10 – Plan U</u>		<u>Rate Group 11 – Plan U</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
45	7.96%	10.69%	7.45%	10.23%	7.67%	10.53%
46	8.08%	10.85%	7.56%	10.38%	7.79%	10.69%
47	8.20%	11.02%	7.68%	10.54%	7.91%	10.85%
48	8.33%	11.19%	7.80%	10.70%	8.03%	11.02%
49	8.45%	11.35%	7.91%	10.86%	8.15%	11.18%
50	8.57%	11.52%	8.03%	11.02%	8.27%	11.34%
51	8.69%	11.68%	8.14%	11.17%	8.38%	11.50%
52	8.82%	11.85%	8.26%	11.33%	8.50%	11.67%
53	8.95%	12.02%	8.38%	11.50%	8.63%	11.84%
54	9.09%	12.20%	8.51%	11.68%	8.76%	12.02%
55	9.23%	12.40%	8.64%	11.86%	8.90%	12.21%
56	9.38%	12.60%	8.78%	12.05%	9.04%	12.41%
57	9.53%	12.80%	8.92%	12.24%	9.18%	12.60%
58	9.67%	12.99%	9.05%	12.43%	9.32%	12.79%
59	9.78%	13.14%	9.16%	12.58%	9.43%	12.95%
60	9.86%	13.24%	9.23%	12.67%	9.50%	13.04%
61	9.87%	13.26%	9.25%	12.69%	9.52%	13.06%
62	9.83%	13.21%	9.21%	12.64%	9.48%	13.01%
63	9.73%	13.08%	9.11%	12.51%	9.38%	12.88%
64	9.54%	12.81%	8.93%	12.26%	9.19%	12.62%
65	9.86%	13.24%	9.23%	12.67%	9.50%	13.04%
66 and thereafter	10.19%	13.69%	9.54%	13.10%	9.82%	13.48%
COLA Loading:		33.96%		36.76%		37.24%

Interest: 7.25%  
 Salary Increases: See Exhibit V, page 78  
 Mortality: See Exhibit V, page 71

*It is our understanding that in the determination of pension benefits under the 2.5% at 67 CalPEPRA formula, the compensation that can be taken into account for 2014 is equal to \$138,077 or 120% of \$115,064 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2014 (reference: Section 7522.10(d)).*

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan E (Fire Authority)</u>		<u>Plan E (Law Enforcement)</u>		<u>Plan E (Probation)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	4.24%	9.70%	4.24%	9.94%	4.24%	9.12%
16	4.24%	9.70%	4.24%	9.94%	4.24%	9.12%
17	4.31%	9.85%	4.31%	10.09%	4.31%	9.25%
18	4.37%	9.99%	4.37%	10.24%	4.37%	9.39%
19	4.44%	10.14%	4.44%	10.39%	4.44%	9.53%
20	4.50%	10.29%	4.50%	10.55%	4.50%	9.68%
21	4.57%	10.45%	4.57%	10.71%	4.57%	9.82%
22	4.64%	10.61%	4.64%	10.87%	4.64%	9.97%
23	4.71%	10.77%	4.71%	11.04%	4.71%	10.12%
24	4.78%	10.94%	4.78%	11.21%	4.78%	10.28%
25	4.86%	11.11%	4.86%	11.38%	4.86%	10.44%
26	4.93%	11.28%	4.93%	11.56%	4.93%	10.60%
27	5.01%	11.46%	5.01%	11.74%	5.01%	10.77%
28	5.09%	11.65%	5.09%	11.93%	5.09%	10.95%
29	5.18%	11.84%	5.18%	12.13%	5.18%	11.13%
30	5.26%	12.04%	5.26%	12.33%	5.26%	11.32%
31	5.36%	12.25%	5.36%	12.55%	5.36%	11.51%
32	5.45%	12.46%	5.45%	12.77%	5.45%	11.71%
33	5.55%	12.69%	5.55%	13.00%	5.55%	11.93%
34	5.63%	12.87%	5.63%	13.19%	5.63%	12.10%
35	5.71%	13.06%	5.71%	13.38%	5.71%	12.27%
36	5.80%	13.26%	5.80%	13.59%	5.80%	12.46%
37	5.89%	13.48%	5.89%	13.81%	5.89%	12.67%
38	6.00%	13.71%	6.00%	14.05%	6.00%	12.89%
39	6.11%	13.97%	6.11%	14.31%	6.11%	13.13%
40	6.21%	14.19%	6.21%	14.54%	6.21%	13.34%
41	6.32%	14.44%	6.32%	14.80%	6.32%	13.57%
42	6.39%	14.60%	6.39%	14.96%	6.39%	13.73%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety Tier 1 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan E (Fire Authority)</u>		<u>Plan E (Law Enforcement)</u>		<u>Plan E (Probation)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
43	6.47%	14.80%	6.47%	15.17%	6.47%	13.91%
44	6.53%	14.93%	6.53%	15.29%	6.53%	14.03%
45	6.55%	14.98%	6.55%	15.35%	6.55%	14.08%
46	6.49%	14.84%	6.49%	15.20%	6.49%	13.95%
47	6.40%	14.63%	6.40%	14.99%	6.40%	13.75%
48	6.29%	14.38%	6.29%	14.74%	6.29%	13.52%
49	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
50	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
51	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
52	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
53	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
54	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
55	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
56	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
57	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
58	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
59	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
60	6.01%	13.74%	6.01%	14.08%	6.01%	12.92%
<i>COLA Loading:</i>		<i>128.66%</i>		<i>134.28%</i>		<i>114.92%</i>
<i>Interest:</i>	<i>7.25%</i>					
<i>Salary Increases:</i>	<i>See Exhibit V, page 78</i>					
<i>Mortality:</i>	<i>See Exhibit V, page 71</i>					

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan F (Fire Authority)</u>		<u>Plan F (Law Enforcement)</u>		<u>Plan F (Probation)</u>		<u>Plan R (Fire Authority)</u>		<u>Plan R (Law Enforcement)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	8.11%	13.32%	8.11%	13.55%	8.11%	12.77%	8.11%	12.72%	8.11%	12.78%
16	8.11%	13.32%	8.11%	13.55%	8.11%	12.77%	8.11%	12.72%	8.11%	12.78%
17	8.23%	13.52%	8.23%	13.75%	8.23%	12.96%	8.23%	12.91%	8.23%	12.97%
18	8.35%	13.72%	8.35%	13.96%	8.35%	13.15%	8.35%	13.10%	8.35%	13.16%
19	8.47%	13.93%	8.47%	14.16%	8.47%	13.34%	8.47%	13.30%	8.47%	13.36%
20	8.60%	14.14%	8.60%	14.38%	8.60%	13.54%	8.60%	13.49%	8.60%	13.56%
21	8.73%	14.35%	8.73%	14.59%	8.73%	13.75%	8.73%	13.70%	8.73%	13.76%
22	8.86%	14.57%	8.86%	14.82%	8.86%	13.96%	8.86%	13.91%	8.86%	13.97%
23	9.00%	14.79%	9.00%	15.04%	9.00%	14.17%	9.00%	14.12%	9.00%	14.18%
24	9.14%	15.02%	9.14%	15.27%	9.14%	14.39%	9.14%	14.34%	9.14%	14.40%
25	9.28%	15.25%	9.28%	15.51%	9.28%	14.61%	9.28%	14.56%	9.28%	14.63%
26	9.43%	15.49%	9.43%	15.76%	9.43%	14.84%	9.43%	14.79%	9.43%	14.86%
27	9.58%	15.74%	9.58%	16.01%	9.58%	15.08%	9.58%	15.02%	9.58%	15.09%
28	9.73%	15.99%	9.73%	16.27%	9.73%	15.32%	9.73%	15.27%	9.73%	15.34%
29	9.89%	16.26%	9.89%	16.53%	9.89%	15.58%	9.89%	15.52%	9.89%	15.59%
30	10.06%	16.53%	10.06%	16.81%	10.06%	15.84%	10.06%	15.78%	10.06%	15.85%
31	10.23%	16.82%	10.23%	17.10%	10.23%	16.11%	10.23%	16.05%	10.23%	16.13%
32	10.40%	17.09%	10.40%	17.38%	10.40%	16.37%	10.40%	16.31%	10.40%	16.39%
33	10.56%	17.35%	10.56%	17.64%	10.56%	16.62%	10.56%	16.56%	10.56%	16.64%
34	10.70%	17.59%	10.70%	17.89%	10.70%	16.86%	10.70%	16.79%	10.70%	16.87%
35	10.86%	17.85%	10.86%	18.16%	10.86%	17.10%	10.86%	17.04%	10.86%	17.12%
36	11.03%	18.12%	11.03%	18.43%	11.03%	17.37%	11.03%	17.30%	11.03%	17.38%
37	11.21%	18.42%	11.21%	18.73%	11.21%	17.65%	11.21%	17.58%	11.21%	17.67%
38	11.39%	18.71%	11.39%	19.03%	11.39%	17.93%	11.39%	17.86%	11.39%	17.95%
39	11.56%	19.00%	11.56%	19.33%	11.56%	18.21%	11.56%	18.14%	11.56%	18.23%
40	11.71%	19.25%	11.71%	19.58%	11.71%	18.44%	11.71%	18.38%	11.71%	18.46%
41	11.85%	19.47%	11.85%	19.81%	11.85%	18.66%	11.85%	18.59%	11.85%	18.68%
42	11.95%	19.63%	11.95%	19.97%	11.95%	18.81%	11.95%	18.74%	11.95%	18.83%
43	12.01%	19.73%	12.01%	20.07%	12.01%	18.90%	12.01%	18.83%	12.01%	18.92%
44	11.97%	19.67%	11.97%	20.00%	11.97%	18.84%	11.97%	18.77%	11.97%	18.86%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety Tier 2 Members' Contribution Rates from the December 31, 2013 Actuarial Valuation (Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Plan F (Fire Authority)</u>		<u>Plan F (Law Enforcement)</u>		<u>Plan F (Probation)</u>		<u>Plan R (Fire Authority)</u>		<u>Plan R (Law Enforcement)</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
45	11.84%	19.46%	11.84%	19.79%	11.84%	18.64%	11.84%	18.57%	11.84%	18.66%
46	11.63%	19.12%	11.63%	19.44%	11.63%	18.32%	11.63%	18.25%	11.63%	18.33%
47	11.26%	18.51%	11.26%	18.82%	11.26%	17.73%	11.26%	17.67%	11.26%	17.75%
48	11.63%	19.12%	11.63%	19.44%	11.63%	18.32%	11.63%	18.25%	11.63%	18.33%
49	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
50	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
51	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
52	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
53	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
54	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
55	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
56	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
57	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
58	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
59	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
60	12.02%	19.75%	12.02%	20.09%	12.02%	18.93%	12.02%	18.86%	12.02%	18.94%
<i>COLA Loading:</i>		64.33%		67.14%		57.46%		56.88%		57.61%
<i>Interest:</i>	7.25%									
<i>Salary Increases:</i>	See Exhibit V, page 78									
<i>Mortality:</i>	See Exhibit V, page 71									

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)**

Calculated Under Recommended Assumptions

<u>Entry Age</u>	<u>Rate Group 6 – Plan V</u>		<u>Rate Group 7 – Plan V</u>		<u>Rate Group 8 – Plan V</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
15	8.15%	11.77%	10.08%	14.38%	9.24%	13.22%
16	8.15%	11.77%	10.08%	14.38%	9.24%	13.22%
17	8.27%	11.94%	10.23%	14.60%	9.37%	13.41%
18	8.39%	12.12%	10.38%	14.81%	9.51%	13.61%
19	8.52%	12.30%	10.53%	15.03%	9.65%	13.81%
20	8.64%	12.48%	10.69%	15.25%	9.79%	14.01%
21	8.77%	12.66%	10.85%	15.47%	9.94%	14.22%
22	8.90%	12.85%	11.01%	15.70%	10.08%	14.43%
23	9.03%	13.04%	11.17%	15.93%	10.23%	14.64%
24	9.17%	13.23%	11.33%	16.17%	10.39%	14.86%
25	9.30%	13.43%	11.50%	16.41%	10.54%	15.08%
26	9.44%	13.63%	11.67%	16.66%	10.70%	15.31%
27	9.58%	13.83%	11.85%	16.91%	10.86%	15.54%
28	9.73%	14.04%	12.03%	17.16%	11.02%	15.77%
29	9.87%	14.26%	12.21%	17.42%	11.19%	16.01%
30	10.03%	14.47%	12.40%	17.69%	11.36%	16.26%
31	10.18%	14.70%	12.59%	17.96%	11.53%	16.51%
32	10.34%	14.93%	12.78%	18.24%	11.71%	16.76%
33	10.50%	15.16%	12.99%	18.53%	11.90%	17.03%
34	10.67%	15.40%	13.19%	18.82%	12.09%	17.30%
35	10.84%	15.65%	13.41%	19.13%	12.28%	17.58%
36	11.02%	15.91%	13.63%	19.44%	12.49%	17.87%
37	11.21%	16.18%	13.86%	19.77%	12.70%	18.17%
38	11.40%	16.46%	14.10%	20.11%	12.92%	18.48%
39	11.58%	16.72%	14.32%	20.44%	13.12%	18.78%
40	11.76%	16.98%	14.54%	20.74%	13.32%	19.07%
41	11.93%	17.22%	14.75%	21.04%	13.51%	19.34%
42	12.10%	17.47%	14.96%	21.35%	13.71%	19.62%
43	12.29%	17.74%	15.19%	21.68%	13.92%	19.92%
44	12.49%	18.03%	15.44%	22.03%	14.15%	20.25%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Safety CalPEPRA Members' Contribution Rates from the December 31, 2013 Actuarial Valuation  
(Expressed as a Percentage of Monthly Payroll)  
Calculated Under Recommended Assumptions**

<u>Entry Age</u>	<u>Rate Group 6</u>		<u>Rate Group 7</u>		<u>Rate Group 8</u>	
	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>	<u>Normal</u>	<u>Total</u>
45	12.68%	18.31%	15.68%	22.38%	14.37%	20.57%
46	12.88%	18.60%	15.93%	22.73%	14.60%	20.89%
47	13.05%	18.84%	16.14%	23.02%	14.79%	21.16%
48	13.20%	19.06%	16.32%	23.29%	14.96%	21.40%
49	13.31%	19.21%	16.46%	23.48%	15.08%	21.58%
50	13.37%	19.31%	16.54%	23.59%	15.15%	21.68%
51	13.33%	19.25%	16.49%	23.52%	15.11%	21.62%
52	13.19%	19.04%	16.31%	23.27%	14.94%	21.39%
53	12.96%	18.71%	16.02%	22.86%	14.68%	21.01%
54	12.55%	18.11%	15.51%	22.13%	14.22%	20.34%
55	12.96%	18.71%	16.02%	22.86%	14.68%	21.01%
56 and thereafter	13.39%	19.33%	16.56%	23.62%	15.17%	21.71%
<i>COLA Loading:</i>		46.53%		42.63%		43.16%
<i>Interest:</i>	7.25%					
<i>Salary Increases:</i>	<i>See Exhibit V, page 78</i>					
<i>Mortality:</i>	<i>See Exhibit V, page 71</i>					

*It is our understanding that in the determination of pension benefits under the 2.7% at 57 CalPEPRA formula, the compensation that can be taken into account for 2014 is equal to \$138,077 or 120% of \$115,064 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2014 (reference: Section 7522.10(d)).*

## SECTION 4: Reporting Information for the Orange County Employees Retirement System

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### Appendix C Funded Percentages

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The funded percentages on a valuation value of assets basis by rate group provided for informational purposes only are as follows:

	Funded Percentage	
	December 31, 2013 Valuation	December 31, 2012 Valuation
<i>General Members</i>		
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	74.42%	71.52%
Rate Group #2 – Plans I, J, O, P, S, T and U	64.05%	60.60%
Rate Group #3 – Plans B, G, H and U (Law Library, OCSD)	63.44%	58.96%
Rate Group #5 – Plans A and B (OCTA)	71.06%	67.97%
Rate Group #9 – Plans M, N and U (TCA)	66.09%	61.90%
Rate Group #10 – Plans I, J, M, N and U (OCFA)	59.89%	56.00%
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	76.53%	71.78%
<i>Safety Members</i>		
Rate Group #6 – Plans E, F and V (Probation)	68.71%	64.99%
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	68.08%	64.77%
Rate Group #8 – Plans E, F, Q, R and V (Fire Authority)	69.95%	66.24%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix D**

**Reconciliation of Employer Contribution Rates (by Rate Group)**

The reconciliation of the employer contribution rates for the General rate groups are as follows:

	Rate Group						
	#1	#2	#3	#5	#9	#10	#11
Recommended Contribution Rate as of December 31, 2012 with Phase-in	20.91%	37.12%	36.32%	26.62%	25.52%	36.35%	22.99%
Effect of Phase-in	<u>1.49%</u>	<u>2.06%</u>	<u>1.89%</u>	<u>1.69%</u>	<u>1.43%</u>	<u>1.92%</u>	<u>1.63%</u>
Recommended Contribution Rate as of December 31, 2012 without Phase-in	22.40%	39.18%	38.21%	28.31%	26.95%	38.27%	24.62%
Effect of change in amortization periods <sup>(1)</sup>	0.01%	-1.54%	-2.92%	-0.33%	0.99%	-1.73%	-0.80%
Effect of investment gain	-0.56%	-0.71%	-0.65%	-0.63%	-0.40%	-0.59%	-0.54%
Effect of difference in actual versus expected salary increases	-0.82%	-1.27%	-1.88%	-0.57%	-0.73%	-1.90%	-1.61%
Effect of growth in total payroll less than expected	-0.17%	1.31%	1.58%	0.47%	-0.39%	1.68%	0.34%
Effect of other experience (gain)/loss <sup>(2)</sup>	<u>0.22%</u>	<u>0.05%</u>	<u>0.12%</u>	<u>-0.22%</u>	<u>-0.20%</u>	<u>1.34%</u> <sup>(3)</sup>	<u>0.19%</u>
Subtotal	-1.32%	-2.16%	-3.75%	-1.28%	-0.73%	-1.20%	-2.42%
Recommended Contribution Rate as of December 31, 2013	21.08%	37.02%	34.46%	27.03%	26.22%	37.07%	22.20%

<sup>(1)</sup> This reduction in the current year's UAAL contribution rate may be viewed as the net impact of: (a) combining the December 31, 2012 layered amortization schedule into a 20-year single layer and (b) re-amortizing the balance of that schedule as of December 31, 2013 over a new 20-year schedule.

<sup>(2)</sup> Includes an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for the rate impact of all actuarial experience.

<sup>(3)</sup> Effect of other experience (gain)/loss includes:

Rate Group #10	Retirement loss	0.39%
	Contribution loss	0.19%
	Loss from changes in demographics	0.20%
	Gain from additional UAAL contributions	-0.05%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix D (Continued)**

**Reconciliation of Employer Contribution Rates (by Rate Group)**

The reconciliation of the employer contribution rates for the Safety rate groups are as follows:

	Rate Group		
	#6	#7	#8
Recommended Contribution Rate as of December 31, 2012 with Phase-in	40.50%	57.11%	49.66%
Effect of Phase-in	<u>2.65%</u>	<u>3.65%</u>	<u>3.16%</u>
Recommended Contribution Rate as of December 31, 2012 without Phase-in	43.15%	60.76%	52.82%
Effect of change in amortization periods <sup>(1)</sup>	-1.41%	-1.14%	-2.01%
Effect of investment gain	-0.73%	-1.17%	-0.95%
Effect of difference in actual versus expected salary increases	-1.56%	-1.46%	-1.38%
Effect of growth in total payroll less than expected	1.25%	-0.29%	1.19%
Effect of other experience (gain)/loss <sup>(2)</sup>	<u>0.00%</u>	<u>-0.35%</u>	<u>0.17%</u> <sup>(3)</sup>
Subtotal	-2.45%	-4.41%	-2.98%
Recommended Contribution Rate as of December 31, 2013	40.70%	56.35%	49.84%

<sup>(1)</sup> This reduction in the current year's UAAL contribution rate may be viewed as the net impact of: (a) combining the December 31, 2012 layered amortization schedule into a 20-year single layer and (b) re-amortizing the balance of that schedule as of December 31, 2013 over a new 20-year schedule.

<sup>(2)</sup> Includes an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for the rate impact of all actuarial experience.

<sup>(3)</sup> Effect of other experience (gain)/loss includes: Rate Group #8 Gain from additional UAAL contributions -0.06%

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix E**

**Reconciliation of UAAL (by Rate Group)**

The reconciliation of UAAL for the General rate groups are as follows:

	Rate Group (\$000s)						
	#1	#2	#3	#5	#9	#10	#11
1. UAAL as of December 31, 2012	\$116,700	\$3,442,983	\$214,503	\$232,236	\$11,822	\$72,888	\$1,981
2. Total normal cost at middle of year	12,023	253,146	16,148	21,779	1,565	5,634	269
3. Actual employer and member contributions	-15,333	-375,567	-24,602	-28,541	-1,841	-8,708	-317
4. Interest	<u>8,341</u>	<u>245,178</u>	<u>15,245</u>	<u>16,592</u>	<u>847</u>	<u>5,173</u>	<u>142</u>
5. Expected UAAL as of December 31, 2013	\$121,731	\$3,565,740	\$221,294	\$242,066	\$12,393	\$74,987	\$2,075
6. Actuarial (gain)/loss and other changes:							
(a) Gain on investment return	-\$5,309	-\$98,778	-\$5,830	-\$9,134	-\$372	-\$1,777	-\$95
(b) Gain on lower than expected salary increases	-7,824	-176,201	-17,008	-8,213	-682	-5,762	-285
(c) Other experience (gain)/loss	<u>-1,177</u>	<u>-25,996</u>	<u>-625</u>	<u>-5,677</u>	<u>-117</u>	<u>2,643<sup>(1)</sup></u>	<u>26</u>
Total Changes	-\$14,310	-\$300,975	-\$23,463	-\$23,024	-\$1,171	-\$4,896	-\$354
7. UAAL as of December 31, 2013	<u>\$107,421</u>	<u>\$3,264,765</u>	<u>\$197,831</u>	<u>\$219,042</u>	<u>\$11,222</u>	<u>\$70,091</u>	<u>\$1,721</u>

<sup>(1)</sup> Effect of other experience (gain)/loss includes:

Rate Group #10	Retirement loss	\$1,170
	Contribution loss	\$568
	Gain from additional UAAL contributions	-\$163

**SECTION 4: Reporting Information for the Orange County Employees Retirement System**

**Appendix E (Continued)**  
**Reconciliation of UAAL (by Rate Group)**

The reconciliation of UAAL for the Safety rate groups are as follows:

	Rate Group (\$000s)		
	#6	#7	#8
1. UAAL as of December 31, 2012	\$193,245	\$988,418	\$400,904
2. Total normal cost at middle of year	23,238	78,822	45,138
3. Actual employer and member contributions	-30,249	-120,013	-62,617
4. Interest	<u>13,756</u>	<u>70,167</u>	<u>28,432</u>
5. Expected UAAL as of December 31, 2013	\$199,990	\$1,017,394	\$411,857
6. Actuarial (gain)/loss and other changes:			
(a) Gain on investment return	-\$6,671	-\$33,951	-\$15,013
(b) Gain on lower than expected salary increases	-14,229	-42,201	-21,921
(c) Other experience (gain)/loss	<u>-217</u>	<u>-4,061</u>	<u>4,847<sup>(1)</sup></u>
Total Changes	-\$21,117	-\$80,213	-\$32,087
7. UAAL as of December 31, 2013	<u>\$178,873</u>	<u>\$937,181</u>	<u>\$379,770</u>

<sup>(1)</sup> Effect of other experience (gain)/loss includes: Rate Group #8 Gain from additional UAAL contributions -\$909

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TENNENBAUM  
CAPITAL PARTNERS LLC

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Tennenbaum Senior Loan Strategy  
OCERS Board – Manager Monitoring Subcommittee  
May 29, 2014

# Disclosure

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*Target returns set forth in this presentation are based on current terms for qualifying new issues, proposed fees and expenses and the historical loss experience net of recoveries generated by funds managed by TCP and investments made by these funds. Actual returns for any given investment and overall returns of accounts or funds following the senior loan strategy described in this presentation will depend on a variety of factors and may vary significantly from the target returns. Additional performance information, including net returns for funds managed by TCP and a complete list of each investment made by such funds, is available on request. Furthermore, PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.*

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# TCP At-a-Glance

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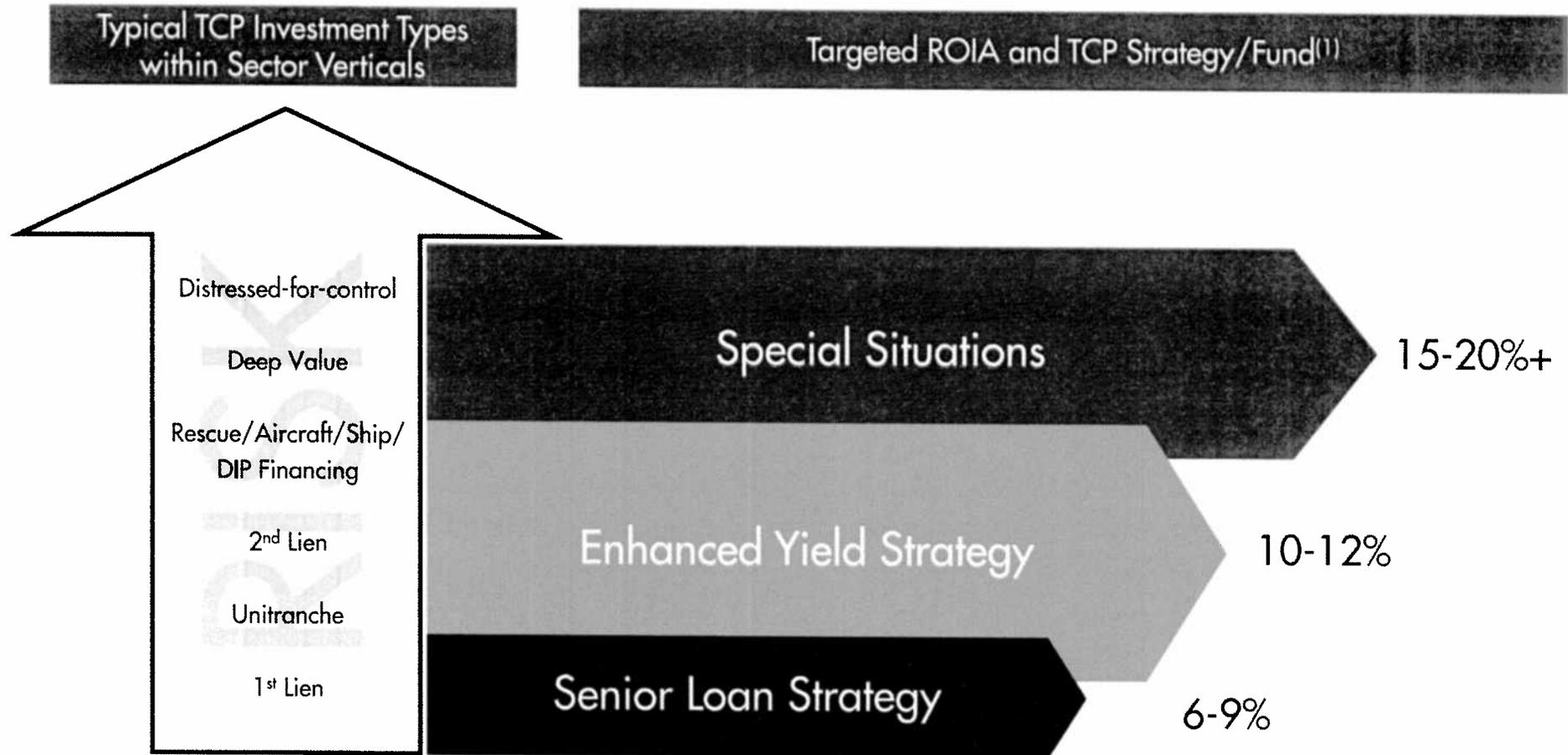
- Alternative investment manager primarily focused on middle-market corporate investing
  - Performing Credit
  - Special Situations
- 18 years experience investing through multiple market cycles
  - Invested \$12+ billion for clients in over 300+ companies via 13 funds
  - Current committed capital \$5.3 billion
- Approximately 75 employees, plus Advisory Board
  - Offices in Los Angeles (HQ) and New York
  - Senior professionals average 20+ years industry experience
  - Broad in-house structuring & restructuring skill set
  - Investment professionals organized by 19 industry-focused verticals

# TCP Platform

- Two complementary strategies: (i) Special Situations and (ii) Performing Credit
- Emphasis on income and capital gains

SPECIAL SITUATIONS <sup>(1)</sup>	PERFORMING CREDIT (Par/Near Par) <sup>(1)</sup>
New Special Situations Fund (2014)	Senior Loan Vehicles (2012-2014)
Tennenbaum Opportunities Fund VI (2010)	New Enhanced Yield Strategy (2014)
Tennenbaum DIP Opportunity Fund (2009) - Closed	TCP Capital Corp. (NASDAQ: TCPC) (2012) <sup>(2)</sup>
Tennenbaum Opportunities Fund V (2006) <sup>(3)</sup>	
Special Value Continuation Fund (2006) <sup>(3,4)</sup> - Converted	
Special Value Opportunities/Expansion Fund (2004) - Wind Down <sup>(3)(5)</sup>	
Special Value Absolute Return Fund (2002) - Final Wind Down <sup>(3)</sup>	
Special Value Bond Fund II (2000) - Closed <sup>(3)</sup>	
Special Value Bond Fund (1999) - Closed <sup>(3)</sup>	

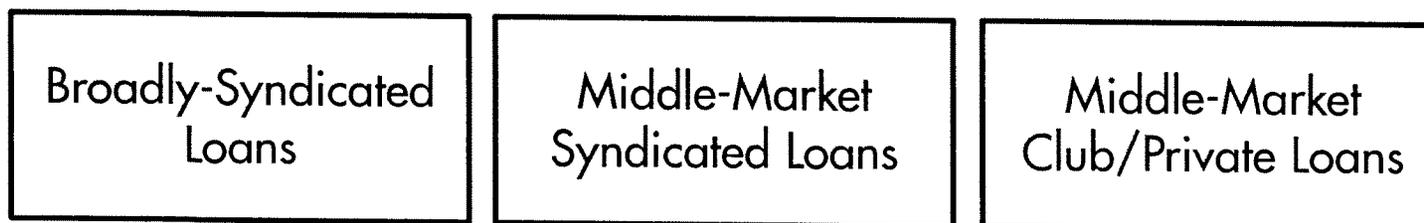
# TCP Strategies



# TCP Approach

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- TCP uses its substantial alternative credit platform to invest in middle-market par or near-par 1<sup>st</sup> lien leveraged loans
- The target return to investors net of fees and expenses is in the following range:
  - Unlevered vehicle: 6 – 8% (1)
  - Levered vehicle: 9-11% (1)
- Investments will generally be 1<sup>st</sup> lien leveraged loans issued by middle-market companies
  - Similar to historical performing TCP 1<sup>st</sup> lien leveraged loan investments (not stressed or distressed investments)
- Targeting club/private loans and lightly-syndicated loans
  - Lead or participate alongside a club or syndicate with like-minded investors



# TCP Senior Loan Investment Strategy and Approach

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- TCP employs an opportunistic investment approach, with the primary objective of producing superior risk-adjusted returns primarily from income
- TCP's investment approach follows historical practice of originating, structuring and acquiring middle-market senior secured loans
  - Primarily 1<sup>st</sup> lien with positive & negative covenants protecting structure & collateral
  - Conservative approach with an emphasis on fundamental credit analysis
  - Ability to pursue both sponsored and non-sponsored deals
  - TCP market segmentation includes middle-market businesses with EBITDA between \$15-\$75mm and/or businesses with strong asset profiles (working capital / other assets)
  - Seek credits with solid downside protection in complex transactions and situations which provide opportunity for above average returns
  - Significant industry and issuer diversification

# What Are We Currently Seeing in Senior Loans?(1)

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## Performing middle-market credit

- Some knock-on effect from liquid credit markets
- Modest yield compression, but considerable relative value
- More opportunity in private origination
- Elevated secondary market prices
- Better lender protections versus liquid credit
- Continuing favorable conditions, but careful asset selection required



\$113,000,000  
1<sup>st</sup> Lien Term Loan

*April 2013*

Telecom



\$60,000,000  
1<sup>st</sup> Lien Term Loan

*May 2013*

Media



\$25,000,000  
1<sup>st</sup> Lien Term Loan

*September 2013*

Software



\$25,000,000  
1<sup>st</sup> Lien Term Loan

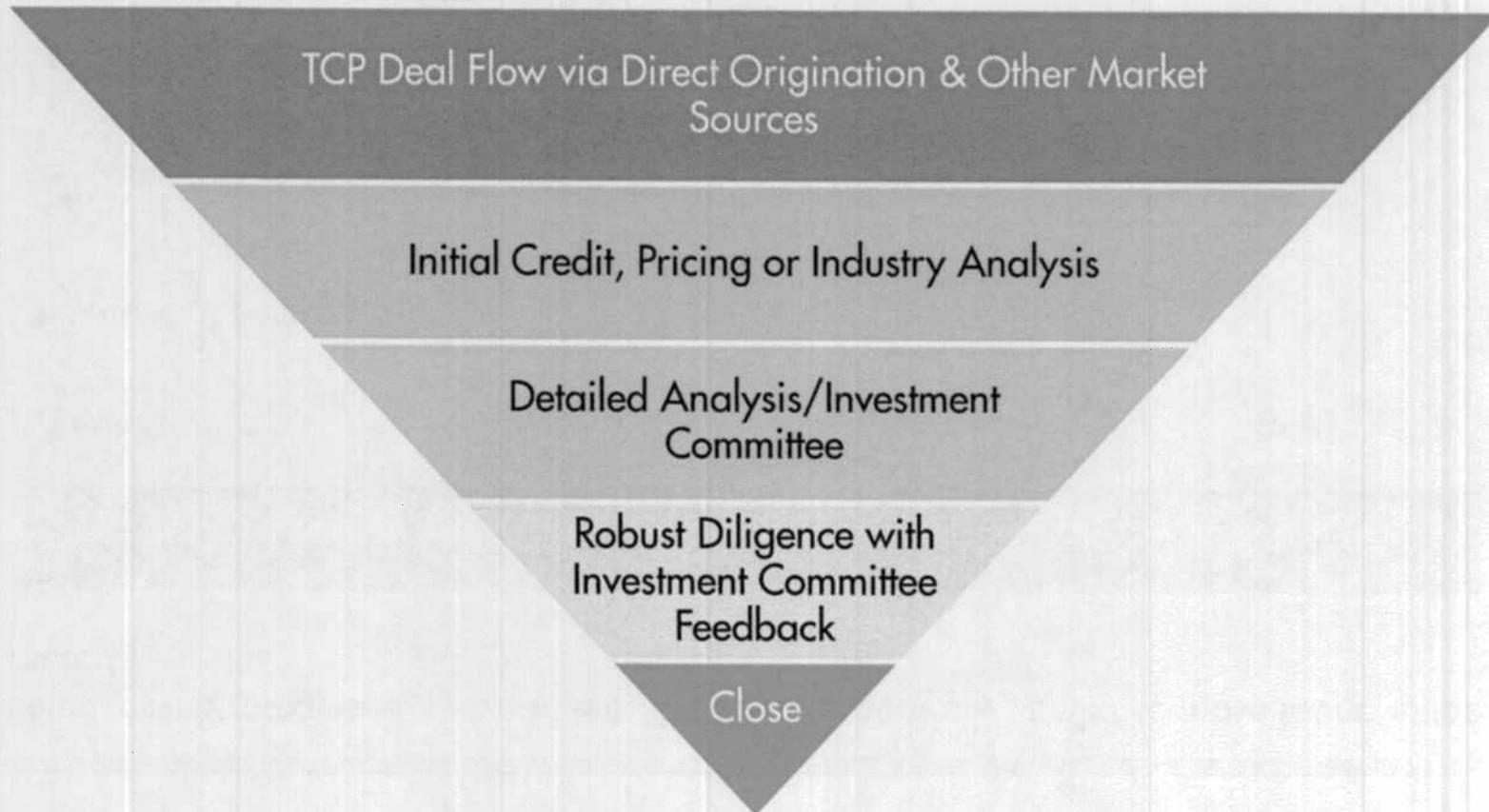
*February 2014*

Software

# TCP Sourcing

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- We source across all channels to maximize risk/return opportunity
- We possess a broad and deep sourcing network built over 18 years
- Our sourcing reflects our strategy, differing from many of the 'bank-like' models



# Performance Summary

The Senior Loan Strategy seeks investments that are substantially similar to those found in the track record

## Senior Loan Strategy Performance - Inception through 3/31/14 <sup>(1)(2)</sup>

<i>(\$ in millions)</i>	Realized	Unrealized	Total
Number of Investments	71	68	139
Amount Invested	\$2,348	\$1,658	\$4,006
Gross IRR <sup>(3)</sup>	15.2%	12.7%	14.6%

(1) The Senior Loan Strategy track record consists of a subset of investments made across multiple funds managed by TCP during the period September 1, 1999 to March 31, 2014. The majority of these funds have typically employed a broad investment mandate commonly referred to as “credit opportunities”, focused on both performing credit and special situation investing throughout the capital structure. The Senior Loan Strategy track record includes all investments that meet the following criteria: originated 1st lien senior secured debt investments where our loan had priority liens on the majority of the operating assets (other than for carve outs for certain working capital facilities). TCP’s full track record is available on request.

(2) Excludes secondary market purchases.

(3) Gross IRR reflects the return before fees, expenses, carried interest, taxes, costs of leverage and any other amounts directly or indirectly borne by investors. Investment in a fund or account managed by TCP will be subject to these costs, which are expected to reduce returns materially. Advisory fees charged by TCP to its clients are described in Part 2A of TCP’s Form ADV, which is available upon request. All annual returns are audited. TCP’s full track record and net returns are available on request. Past performance does not guarantee future returns.

# Summary of Terms

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Fund	Tennenbaum Senior Loan Fund III, LP
Leverage	Leverage available up to a 1.0x maximum
Portfolio	Primarily 1 <sup>st</sup> lien leveraged loans; enhanced yield basket up to 15% of capital
Investment Manager	Tennenbaum Capital Partners, LLC
Management Fee	90 bps on invested capital (including leverage)
Incentive Fee	10% after 7% hurdle (no catch-up)
Distributions	The Fund intends to distribute net interest income quarterly subject to terms of any leverage facility
Target Net Cash IRR <sup>(2)</sup>	6 – 8% unlevered and 9-11% levered (assuming 1.0x leverage)

# Current OCERS Portfolio Metrics

Current Portfolio of Investments	
Committed Equity (Fund/OCERS)	\$195.5m/\$85.0m
Invested Capital (at cost)	\$100.9m/\$39.1m
Average YTM <sup>(1)</sup>	8.74%
Average LIBOR Spread	808 bps
Average LIBOR Floor	0.92%
Average Rating	B-
Average Issue Price	100.34
Average Senior Net Leverage	3.9x

# Representative Investments as of May 1, 2014

Business Description	Maturity	Spread	Floor	Total Coupon	YTM Cos <sup>(1)</sup>	Moody's Industry
High end travel and tours	12/09/18	400	1.00	5.00	6.22	Hotel, Gaming & Leisure
Insurance Brokers	05/03/20	1,050	1.00	11.50	11.97	Banking, Finance, Insurance & Real Estate
Software services, Biz & Consumer	02/21/17	950	1.00	10.50	11.30	Services: Business
Metro fiber network operator in Dallas and Houston	05/31/18	692	1.00	7.92	8.46	Telecommunications
Gaming systems	12/20/20	825	1.00	9.25	9.85	Hotel, Gaming & Leisure
Manufactures electronic components for defense & comm ind	02/06/18	750	1.50	9.00	9.31	Aerospace & Defense
Leading global producer of specialty chemicals	09/30/18	825	1.25	9.50	10.01	Chemicals, Plastics & Rubber
Brand development and licensing	06/28/19	500	1.00	6.00	6.11	Consumer goods: Durable
Value added software for auto dealerships	03/31/19	875	0.25	9.00	9.51	Automotive
Fixed satellite services in Europe, the Middle East and Africa	10/01/19	0	0.00	10.00	10.00	Telecommunications
Provides SaaS-based financial solutions to corporate clients	09/25/18	800	1.50	9.50	10.01	Services: Business
Online/Catalog retailer with Credit Offering	12/06/18	650	1.00	7.50	7.99	Retail
Outdoor advertising	03/18/17	625	1.25	7.50	10.29	Media: Broadcasting & Subscription
Helmets for Football, Bicycling, Snow Sports, and Supersports	04/14/21	550	1.00	6.50	6.86	Consumer goods: Durable
Nuclear waste management	08/13/16	500	1.75	6.75	6.75	Environmental Industries
Pharmacy benefits manager	11/04/21	875	1.00	9.75	10.11	Healthcare & Pharmaceuticals
TV advertising distribution	02/15/20	575	1.00	6.75	7.06	Media: Advertising, Printing & Publishing
Communications provider	12/11/18	763	1.25	8.88	9.13	Telecommunications
Commercial Real Estate Lending and Servicing	03/26/21	800	1.00	9.00	9.27	Banking, Finance, Insurance & Real Estate
Diversified real estate company (land, multi-family, constructic	03/01/21	0	0.00	9.63	9.87	Banking, Finance, Insurance & Real Estate
Provider of corporate governance products and services	04/30/22	750	1.00	8.50	8.67	Services: Business
Branded clothing company	04/08/19	960	1.00	10.60	10.86	Consumer goods: Durable
IT solutions for corporate clients	02/25/21	725	1.00	8.25	8.39	Services: Business
Leading manufacturer of carpets for the hospitality industry	09/30/18	1,000	1.00	11.00	11.67	Hotel, Gaming & Leisure
In-store media specialist	04/25/19	600	1.00	7.00	7.24	Media: Advertising, Printing & Publishing
Testing & certification of aerospace & defense related products	11/22/18	550	1.25	6.75	6.99	Aerospace & Defense
Telecommunication and data center services in Asia Pacific re	12/12/18	0	0.00	9.00	9.00	Telecommunications
Chemical producer (hydrogen peroxide, persulfates, and perc	02/13/20	650	1.00	7.50	7.92	Chemicals, Plastics & Rubber
Regional hospital system	10/21/19	950	1.00	10.50	10.87	Healthcare & Pharmaceuticals
Data center operator	04/09/21	650	1.00	7.50	7.69	High Tech Industries
Secured Class B Notes	11/13/18	0	0.00	10.75	10.75	Banking, Finance, Insurance & Real Estate
Building Supplies	04/25/20	625	1.00	7.25	7.67	Construction & Building

# Investment Case Study: Gogo Inc.<sup>(1)</sup>



## Business Overview

- Gogo is the dominant market leader in inflight connectivity services for both business aviation (private aircraft) and commercial aviation with exclusive relationships with most North American carriers.
- Gogo has the only North American "air-to-ground" terrestrial network capable of providing broadband connectivity to aircraft and exclusive FCC licenses for terrestrial network services. Effectively no comparable services being offered in the North American marketplace.
- Business aviation business more mature and has demonstrated strong growth, producing substantial free cash flow. Commercial business has also had strong growth with substantial future growth prospects.

## TCP Approach

- TCP performed extensive due diligence that worked with 14 executives and/or experts in the business, including competitors, vendors, and customers.
- TCP industry expertise and prior investment experience with satellite companies allowed it to evaluate and gain comfort with the risk that competing satellite-to-airplane connectivity posed to Gogo.
- TCP was able to structure the loan with some non-market features to mitigate risk, including:
  - Extensive ongoing monitoring and reporting requirements
  - Secured by assets of all Gogo's subsidiaries

## Situation

- Gogo wanted to raise \$135 million to fund expansion, largely to continue strong growth in its commercial aviation business.
- Gogo's clients include 9 of the 10 North American airlines that provide connectivity.
- The banks were not able provide a solution due to (i) negative cash flow, (ii) expansion into new markets and (iii) amount of required financing.
- TCP industry team relationships led to a proprietary sourced opportunity with a first look, providing ability to influence terms and secure large allocation.

## Outcome

- Security: 1<sup>st</sup> Lien Term Loan
- Coupon: L+975bps with 150bps Libor Floor
- Other Key Terms:
  - Non callable through June 2015
  - 2.5% annual amortization
- Underwritten:
  - CY: 12%
  - YTM: 14%
- TCP Investment: \$89 million (\$45 million initial, \$44 million follow-up), out of total facility of \$248 million
- On June 20, 2013, Morgan Stanley priced a \$187 million IPO (Nasdaq: GOGO). The Company priced the offering at \$17, implying a \$1.5 billion equity valuation. Shares are currently trading above \$20, resulting in an equity cushion over \$1.7 billion.

# Investment Case Study: Tennis Channel<sup>(1)</sup>



## Business Overview

- The Tennis Channel is an independent cable network focused exclusively on the sport of tennis. It has broadcasting rights to almost every major tennis event including all four Grand Slam tournaments.
- The Company is currently available to approximately 30 million homes through carriage agreements with all top multi-programming video distributors (MPVDs). MPVDs pay a monthly subscriber fee to The Tennis Channel for the rights to broadcast its content.
- The Tennis Channel also monetizes its audience by selling television ads, product placements and promotions to advertisers. The Tennis Channel's audience is one of the wealthiest on TV and is very hard to reach through traditional advertising.

## TCP Approach

- TCP was asked by Columbia Capital, one of the Company's sponsors, to refinance its debt given their positive experience with a TCP financing for Columbia's other cable network.
- With deep contacts in the cable space, TCP was immediately able to connect with industry executives, distributors and competitors of Tennis Channel to assist in due diligence.
- Despite the high book leverage, TCP was able to rely on (i) growth in contracted subscriber revenues, (ii) desirability of the audience to advertisers, (iii) strong asset value of a sports focused channel, and a (iv) large suite of buyers in a downside scenario as key underwriting theses.
- TCP underwrote the deal without reliance on a positive outcome concerning the dispute with Comcast.
- TCP lead a \$90 million first lien term loan with a target three year return of 11.5%.

## Situation

- The Company was seeking to refinance its existing debt that would become due in 6 months. Its existing lenders expressed their desire to be taken out rather than extend maturity.
- The Company was experiencing significant revenue growth due to contractual increases in its subscriber fees but it had just reached an inflection point of profitability leading to high closing leverage.
- The Company was also in litigation with its largest distributor Comcast regarding unfair treatment of its content compared to the Golf Channel which is owned by Comcast.

## Outcome

- Security: \$90 million First Lien Term Loan
- Coupon: L+8.50%
- Call Protection: 103/102/101
- Tennis Channel continues to grow subscriber and advertising revenue as expected and given its operating leverage, book leverage declined substantially within the first twelve months of closing.
- The Tennis Channel is still in dispute with Comcast but a win is only upside to the company and the credit.

# TCP segments the U.S. Loan Market into Three Components:

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## 1. Broadly-Syndicated Loans

- Most efficient segment; Lowest cost of capital & borrower-friendly terms
- Tranche sizes generally \$300 million or larger
- Arranged and distributed by large banks (e.g., JPM, Bank of America Merrill Lynch, etc.)

## 2. Middle-Market Syndicated Loans

- Less efficient segment; Higher cost of capital & more lender protections
- Tranche sizes generally \$150-300 million
- Arranged and distributed by a variety of mid-sized banks and/or non-bank lenders

## 3. Middle-Market Club/Private Loans

- Least efficient segment; Highest cost of capital & robust lender protections
- Tranche sizes generally \$50 – \$200 million
- Typically 1–8 lenders in privately-negotiated and arranged transactions

Tranche Size

\$300MM+

~\$150MM  
- \$300MM

~\$50MM -  
\$200MM

# U.S. Corporate Loan Market Segment Characteristics

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## Broadly-Syndicated Loans

- New Issue Pricing: L+250 – 450 bps
- Primarily Covenant-lite
- Firm underwriting by an agent bank
- Liquidity Profile:  
Bought/sold daily in high volume in a normal functioning market

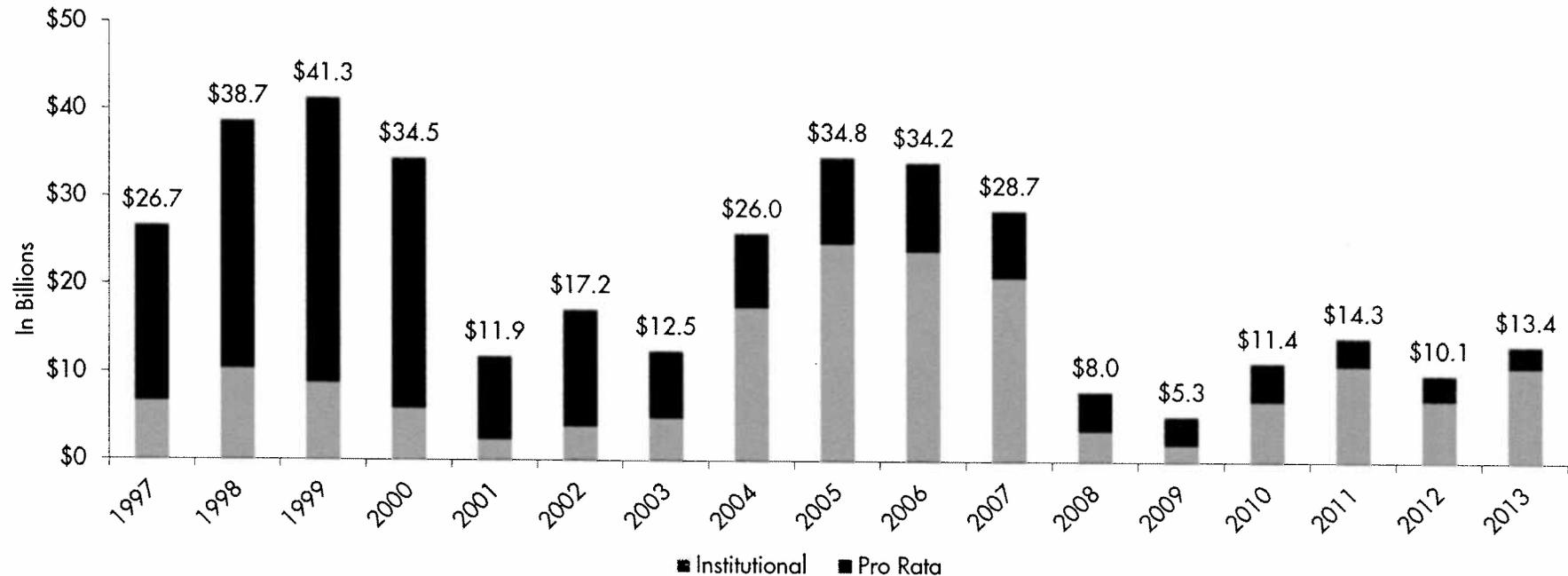
## Middle-Market Syndicated Loans

- New Issue Pricing: L+400 – 700 bps
- Typically maintenance-based leverage and interest coverage tests plus restricted payments, limitations on capex, and excess cash flow sweeps
- Firm underwriting by an agent bank
- Liquidity Profile:  
Bought/sold daily in modest volume in a normal functioning market

## Middle-Market Club/Private Loans

- New Issue Pricing: L+550 – 900 bps
- All middle-market syndicated covenants plus prepayment protection, more customized reporting, etc.
- Underwritten by institutional investors
- Liquidity Profile  
Bought/sold daily in low volume in a normal functioning market

# Financial Crisis Led to Opportunities in U.S. Middle Market



### Limited Supply

- As loans became more costly for banks to hold:
  - Large banks tended to abandon middle-market as bigger deals generally easier to distribute and more profitable
  - Regional banks tended to reduce exposure or exit market
- Hedge funds have tended to move to larger, more liquid financings due to asset/liability mis-match involved in holding illiquid middle-market loans

### Healthy Demand

- Middle-market represents large segment of economy
  - requires ongoing need for capital to operate companies
- Significant amount of debt maturing and creating refinancing opportunities
  - Estimated \$645 bn of non-investment grade debt (\$412 bn of loans) coming due over the next 5 years

# Current Broad Market Trends

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1. Seeing some yield compression, but still considerable relative value
2. Higher volume with some less discriminate buyers
3. Rising leverage and loosening lender protections
4. More opportunity in private/club origination
5. Less opportunity in secondary and middle-market syndicated

Appropriate risk-reward in middle-market, but careful selection is required. Risk profile is high in broadly-syndicated loans

# Conclusion

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- I. The Macro Opportunity for Middle-Market Loans Remains Attractive
  - Global financial crisis left structural changes which benefit loan investors
  - Spreads and terms relatively investor-friendly
  - Some new sources of capital entering, while others exiting
  - Covenant-lite loans frequent, but typically in the broadly-syndicated loan market
  
- II. For investors with the right credit, industry & structuring skills, the Best Risk-Adjusted Returns are in the Middle-Market
  - While the broadly-syndicated loan market is relatively larger, more liquid, and easier, the middle-market (particularly private & club deals), tends to offer more flexible, negotiable, and less competitive deal flow
  - Generally requires more work and more robust skill set for an investor

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# Appendix

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# Senior Professional Biographies

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## David J. Adler, Partner

Tennenbaum Capital Partners, joined 2000  
Focus Capital Group  
TCW

- *M.B.A., The Wharton School of the University of Pennsylvania*
- *B.A., (high honors) University of California Los Angeles*
- *CFA Charter holder*

## Mark K. Holdsworth, Managing Partner

Tennenbaum Capital Partners, joined 1996  
US Bancorp Libra  
Salomon Brothers, Inc.

- *M.B.A., Harvard Business School*
- *B.S. (honors), California Institute of Technology*
- *B.A., Pomona College*

## David A. Hollander, Managing Partner

Tennenbaum Capital Partners, joined 2002  
O'Melveny & Myers

- *J.D., Stanford Law School*
- *B.S. (highest honors), The Wharton School of the University of Pennsylvania*

## Lee R. Landrum, Partner

Tennenbaum Capital Partners, joined 2010  
The Carlyle Group  
Babson Capital Management, LLC  
Wachovia Securities

- *M.B.A., Vanderbilt University*
- *B.A., The University of Georgia*

## Michael E. Leitner, Managing Partner

Tennenbaum Capital Partners, joined 2005  
WilTel Communications  
Globenet Communications  
360Networks  
Microsoft Corporation  
Merrill Lynch

- *M.B.A., The University of Michigan*
- *B.A., The University of California at Los Angeles*

## Howard M. Levkowitz, Managing Partner

Tennenbaum Capital Partners, joined 1997  
Dewey Ballantine LLP

- *J.D., University of Southern California*
- *B.S. (Magna Cum Laude), The Wharton School of the University of Pennsylvania*
- *B.A. (Magna Cum Laude), University of Pennsylvania*

## Michael E. Tennenbaum, Senior Managing Partner

Tennenbaum Capital Partners, joined 1996  
Bear Stearns & Co.

- *M.B.A. (honors), Harvard Business School*
- *B.S., Georgia Institute of Technology*

## Philip M. Tseng, Managing Partner

Tennenbaum Capital Partners, joined 2004  
Credit Suisse First Boston  
Deutsche Banc Alex Brown

- *M.B.A., Harvard Business School*
- *A.B. (honors), Harvard College*

## Rajneesh Vig, Managing Partner

Tennenbaum Capital Partners, joined 2006  
Deutsche Bank  
Price Waterhouse  
Arthur Andersen

- *M.B.A., New York University Stern School of Business*
- *B.A. (highest honors), Connecticut College*

## Christian G. Donohue, Managing Director

Tennenbaum Capital Partners, joined 2006  
GE Capital Corporation  
Sprint/Global

- *M.B.A. (with distinction), Yale School of Management*
- *B.A., Georgetown University*

# Senior Professional Biographies

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## Todd Jaquez-Fissori, Managing Director

Tennenbaum Capital Partners, joined 2014  
Hercules Technology Growth Capital  
TriplePoint Capital  
Siemens Venture Capital

- *M.B.A. the Wharton School of Business at the University of Pennsylvania*
- *B.A. Pennsylvania State University*

## Timothy Gravely, Managing Director

Tennenbaum Capital Partners, joined 2008  
RBC Capital Markets  
Macquarie Capital Advisors

- *Bachelor of Commerce (first class honors with distinction), Mount Allison University*

## Geoffrey Jones, Managing Director

Tennenbaum Capital Partners, joined 2010  
Kohlberg Kravis Roberts & Co.  
Mellon Global Alternative Investments  
Deloitte LLP  
Brown-Forman Corporations

- Benesch, Friedlander, Coplan & Aronoff LLP
- *J.D., Pepperdine University School of Law*
  - *M.B.A., (high honors), University of Chicago*
  - *B.A., Vanderbilt University*
  - *Certified Public Accountant in the State of Ohio*
  - *CFA Charter holder*

## Brad Pritchard, Managing Director

Tennenbaum Capital Partners, joined 2014  
Hercules Technology Growth Capital  
Wells Fargo Securities  
SG Cowen  
Banc of America Securities  
GE Capital

- *M.B.A. the Wharton School of Business at the University of Pennsylvania*
- *B.A. the University of California at Berkeley*

## David Whitehouse, Managing Director

Tennenbaum Capital Partners, joined 2012  
Apollo Global Management  
Apax Partners  
Merrill Lynch  
Morgan Stanley

- *M.S., Massachusetts Institute of Technology*
- *B.S. (cum laude), Virginia Polytechnic Institute*

## Dan Worrell, Managing Director

Tennenbaum Capital Partners, joined 2007  
Mulholland Capital Advisors  
JP Morgan Securities  
Gruss Partners

- *M.B.A., Columbia University*
- *B.S., California State University Northridge*

## Paul Davis, Chief Financial Officer

Tennenbaum Capital Partners, joined 2004  
Arthur Andersen LLP

- *B.A. (high honors), The University of California at Los Angeles*
- *Certified Public Accountant in the State of California*

## Elizabeth Greenwood, General Counsel & Chief Compliance Officer

Tennenbaum Capital Partners, joined 2007  
Strome Investment Management, LP  
Pacific Capital Group  
Ridgestone Corporation  
Stroock & Stroock & Lavan

- *J.D., Stanford Law School*
- *B.B.A. (highest honors), University of Texas at Austin*

# Footnotes

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## Slide 4

- 1) *The Performing Credit (par/near par) strategy excludes “Special Situations” credit investments. Special Situations are investments where at the time the initial investment was made the borrowers were facing operating turnarounds, potential reorganizations or restructurings, a complex M&A situation or a buyout situation that included warrants, other forms of equity or other incremental return to compensate for above-average operating execution risk.*
- 2) *TCP Capital Corp. is primarily focused on investment in debt securities of performing middle-market companies, but also may invest in special situation credits*
- 3) *Fund is primarily focused on special situation investing throughout the capital structure, but also may invest in performing credit*
- 4) *Special Value Continuation Fund (“SVCF”) was originally formed in 2006 when a majority of the investors in Special Value Bond Fund II and Special Value Absolute Return Fund elected to roll their investments into SVCF. In April 2012, SVCF converted into TCP Capital Corp., and held an initial public offering.*
- 5) *Special Value Opportunities Fund (“SVOF”) included a sister fund largely comprised of one significant pension plan investor. The fund commenced operations at approximately the same time as SVOF and has a slightly different asset mix. It is also in wind-down.*

## Slide 5

- 1) *Target returns set forth are based on current terms for qualifying new issues, proposed fees and expenses, the amount of leverage used and the historical loss experience net of recoveries generated by funds managed by TCP. Actual returns for any given investment and overall returns of accounts or funds following the senior loan strategy described in this presentation will depend on a variety of factors and may vary significantly from the target returns.*

## Slide 8

- 1) *The investments listed above are representative examples of investments made by TCP funds that would be appropriate for the Senior Loan Strategy. Not all investments following this strategy have been profitable and there can be no assurance that these investments or any future investments will be profitable. More detailed information about each of the investments made by TCP’s funds is available on request.*

# Footnotes

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## Slide 9

- 1) *There is no assurance that these funds will continue to achieve returns from income and capital gains at historical levels or that distributions will be made. Past performance does not guarantee future returns.*
- 2) *Target returns set forth are based on current terms for qualifying new issues, proposed fees and expenses, the amount of leverage used and the historical loss experience net of recoveries generated by funds managed by TCP. Actual returns for any given investment and overall returns of accounts or funds following the senior loan strategy described in this presentation will depend on a variety of factors and may vary significantly from the target returns.*

## Slide 10

- 1) *Target returns set forth are based on current terms for qualifying new issues, proposed fees and expenses, the amount of leverage used and the historical loss experience net of recoveries generated by funds managed by TCP. Actual returns for any given investment and overall returns of accounts or funds following the senior loan strategy described in this presentation will depend on a variety of factors and may vary significantly from the target returns.*

## Slide 11

- 1) *Based on a cost basis as of May 1, 2014.*

## Slide 12

- 1) *Based on cost basis as of May 1, 2014.*

## Slides 15 & 16

- 1) *The case studies set forth in this presentation are examples which demonstrate TCP's approach. Not all investments following TCP's strategies have been profitable and there can be no assurance that the investments profiled in these case studies or any future investments will be profitable. More detailed information about each of the investments made by TCP is available on request.*

## p. 22

- 1) *Source: LCD & Moody's. "Pro rata" tranches of loans are revolver and term loan combinations held by banks; "Institutional" loans are pari passu with these, with marginally longer amortization schedules*

# Contact

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Tennenbaum Capital Partners, LLC  
2951 28th St., Suite 1000  
Santa Monica, CA 90405  
Main: 310-566-1000  
[www.tennenbaumcapital.com](http://www.tennenbaumcapital.com)

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**From:** James, David <djames@ocers.org>  
**Sent:** Friday, June 13, 2014 1:18 PM  
**To:** Zeller, Lori; Jakubiak, Tricia  
**Cc:** Adviento, Mark  
**Subject:** Internal Audit Questions for our Plan Sponsor Review

Hello Ms. Zeller and Ms. Jakubiak,

Below are the questions we wanted to discuss with you at our meeting on Wednesday.

#### Organizational Structure

- Are the JPA's on the OCFA website the most recent ones? The formation in 1995, an amendment in 1999, and another amendment in 2010 are what we have.
- What happens when the JPA agreement expires?

#### Contractual Relationships

- How does OCFA calculate the annual service charge for each of the contract cities?
- How are property tax revenues allocated by the County to OCFA?
- How does the process work for the OCFA's "Fund Balance Assignment Policy" which establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future usage?
- It appears a contract city is allowed to pull out after ten years. How would that affect OCFA's payment of the UAAL?
- Do the structural fire funds (SFF) cities have the option to pull out from the JPA? How would that affect payment of the UAAL?
- Every five years, a study is also performed to compare actual operational costs for the fiscal year against the annual service charge of each contract city. Depending on the size of the difference between those two, the contract city may potentially end up paying to OCFA the entire difference in the current year or amortizing payment over the subsequent five years. Have there been issues with this?

#### Revenue Sources

- Does the Fire Authority forecast (or obtain forecasts of) the near to long term revenue trends?
- What are potential reductions to OCFA revenues?
- What are the sources of operating and capital grants? What are they used for?
  - How do these revenues fluctuate from year to year?
- What constitutes miscellaneous income?
- Can we get for the four government funds: General, Facilities Maintenance/Improvement, Communication/Information Systems, Vehicle Replacement, Facilities Replacement.
  - Description of purpose, important capital improvement projects within each fund, how is revenue allocated to each fund?
- Funds available or unavailable to OCERS:
  - OCFA's government fund net position of \$177 as of 06/30/13:
    - Committed fund balance (\$1 million)
    - Restricted fund balance (\$2 million)
    - Nonspendable (\$27 million)
    - Unassigned fund balance (\$26 million)
    - Assigned fund balance (\$121 million)

#### Information Request

1. Service fee revenue amounts for each contract city in 2011- 2013.
2. Revenue amounts for each Structural Fire Funds city in 2011- 2013.
3. Revenue amounts (2011- 2013) from the County of Orange and unincorporated areas.

4. Other than JPA contractual agreement, are there other agreements with the cities that we can review?

Thank you.

**David James, CPA** | Director of Internal Audit  
Orange County Employees Retirement System (OCERS)  
714-569-4895 office  
714-975-0314 cell

**DISCUSSION CALENDAR - AGENDA ITEM NO. 3**  
**BUDGET AND FINANCE COMMITTEE MEETING**  
**July 9, 2014**

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer

SUBJECT: **Monthly Investment Reports**

Summary:

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of July 17, 2014, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

Background:

Attached is the final monthly investment report for the month ended May 31, 2014. A preliminary investment report as of June 17, 2014, 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](mailto:Triciajakubiak@ocfa.org)

(714) 573-6301

Attachment:

Final Investment Report – May 2014 / Preliminary Report – June 2014

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – May 2014*

*Preliminary Report – June 2014*



## ***Monthly Investment Report Table of Contents***

<b><i>Final Investment Report – May 31, 2014.....</i></b>	<b><i>1</i></b>
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***Orange County Fire Authority***

***Final Investment Report***

***May 31, 2014***



**EXECUTIVE SUMMARY**

***Portfolio Activity & Earnings***

During the month of May 2014, the size of the portfolio decreased from \$170.0 million to \$159.8 million. Significant receipts for the month included various apportionments of property taxes totaling \$4.5 million and 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 further in the following month as there are no major receipts scheduled for June.

In May, the portfolio's yield to maturity (365-day equivalent) increased by 2 basis points to 0.25% while the effective rate of return decreased by 4 basis points to 0.24% for the month and declined by 1 basis point to 0.31% for the fiscal year to date. The average maturity of the portfolio shortened slightly by 4 days to 196 days to maturity.

***Economic News***

In May 2014, U.S. economic activity continued to improve, but overall activity remained somewhat mixed. Employment conditions, although slightly weaker than the prior month, continued to show improvement in job growth. There were a total of 217,000 new jobs created in May, a slightly better number than expected for the month. The unemployment rate stayed unchanged at 6.3%, though still at an elevated level. Manufacturing and non-manufacturing activity continued to expand in May. Industrial production reversed and increased better than expected for the month. Retail sales also increased, but less than expected for the month, while consumer confidence measures continued to stay mixed in May. Inflation continued to pick up slightly due to rising food and energy prices. Both existing and new home sales increased more than expected, but the housing sector remained slow overall. On June 18, 2014, at the second day of the Federal Open Market Committee's scheduled meeting, the Committee voted to keep the federal funds rate unchanged at a target range of 0 – 0.25%. The Committee slightly upgraded its outlook on the economy and also decided to reduce its asset purchase program further to \$35 billion per month beginning in July.



BENCHMARK COMPARISON AS OF MAY 31, 2014

3 Month T-Bill: 0.03%	1 Year T-Bill: 0.10%
6 Month T-Bill: 0.05%	LAIF: 0.23%
	OCFA Portfolio: 0.24%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$159,812,738	\$170,041,794	\$157,466,893
Yield to Maturity (365 day)	0.25%	0.23%	0.28%
Effective Rate of Return	0.24%	0.28%	0.29%
Days to Maturity	196	200	292



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**May 31, 2014**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, 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	11,621,464.27	11,621,464.27	11,621,464.27	7.29	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	15,000,000.00	14,997,470.00	14,998,856.94	9.41	102	38	0.091	0.093
Federal Agency Coupon Securities	36,833,333.33	36,779,535.00	36,851,168.78	23.11	1,439	771	0.670	0.679
Federal Agency Disc. -Amortizing	46,000,000.00	45,997,820.00	45,998,164.16	28.84	90	47	0.033	0.033
Local Agency Investment Funds	50,000,000.00	50,015,855.90	50,000,000.00	31.35	1	1	0.225	0.228
<b>Investments</b>	<b>159,454,797.60</b>	<b>159,412,145.17</b>	<b>159,469,654.15</b>	<b>100.00%</b>	<b>368</b>	<b>196</b>	<b>0.243</b>	<b>0.247</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	796,980.76	796,980.76	796,980.76		1	1	0.000	0.000
Accrued Interest at Purchase		26,802.08	26,802.08					
Subtotal		823,782.84	823,782.84					
<b>Total Cash and Investments</b>	<b>160,251,778.36</b>	<b>160,235,928.01</b>	<b>160,293,436.99</b>		<b>368</b>	<b>196</b>	<b>0.243</b>	<b>0.247</b>

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	33,609.73	379,912.32
Average Daily Balance	165,232,318.39	134,750,085.69
Effective Rate of Return	0.24%	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, 2014. 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)	\$ 160,293,436.99
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ (480,699.41)
<b>Total</b>	<b>\$ 159,812,737.58</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
(See Note 1 on page 9)											
(See Note 2 on page 9)											
<b>Money Mkt Mutual Funds/Cash</b>											
SYSS28	528	High Mark 100% US Treasury MMF			11,621,464.27	11,621,464.27	11,621,464.27	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>10,995,355.31</b>		<b>11,621,464.27</b>	<b>11,621,464.27</b>		<b>0.001</b>	<b>0.001</b>	<b>1</b>	
<b>Commercial Paper Disc. -Amortizing</b>											
36959JF65	818	GEN ELEC CAP CRP		03/06/2014	8,000,000.00	7,999,920.00	7,999,877.78	0.110	0.112	5	06/06/2014
36959JHF3	825	GEN ELEC CAP CRP		04/24/2014	7,000,000.00	6,997,550.00	6,998,979.16	0.070	0.071	75	08/15/2014
		<b>Subtotal and Average</b>	<b>14,998,286.11</b>		<b>14,997,470.00</b>	<b>14,998,856.94</b>		<b>0.093</b>	<b>0.093</b>	<b>38</b>	
<b>Federal Agency Coupon Securities</b>											
3133ECM76	809	Federal Farm Credit Bank (callable anytime)		04/25/2013	9,000,000.00	8,993,880.00	8,996,016.43	0.400	0.424	691	04/22/2016
3134G4TC2	821	Fed Home Loan Mfg Corp (callable 7/30/14)		04/23/2014	7,500,000.00	7,515,375.00	7,512,317.01	1.550	0.545	59	01/30/2018
3133804V6	787	Fed Home Loan Bank (callable anytime)		08/09/2012	6,000,000.00	5,999,700.00	6,000,000.00	1.000	0.981	1,165	08/09/2017
3133813R4	800	Fed Home Loan Bank (callable 6/9/14)		12/20/2012	9,000,000.00	8,942,580.00	9,010,134.85	1.000	0.968	1,257	11/09/2017
313382DC4	803	Fed Home Loan Bank (callable anytime)		03/15/2013	5,333,333.33	5,328,000.00	5,332,700.49	0.470	0.477	645	03/07/2016
		<b>Subtotal and Average</b>	<b>36,854,123.77</b>		<b>36,779,636.00</b>	<b>36,851,168.78</b>		<b>0.679</b>	<b>0.679</b>	<b>771</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313397F55	827	Freddie Mac		04/24/2014	5,000,000.00	4,999,300.00	4,999,570.83	0.030	0.031	103	09/12/2014
313385YW0	820	Fed Home Loan Bank		03/31/2014	9,000,000.00	8,999,730.00	8,999,760.00	0.030	0.031	32	07/03/2014
313385YG5	822	Fed Home Loan Bank		04/24/2014	9,000,000.00	8,999,910.00	8,999,797.50	0.045	0.046	18	06/19/2014
313385YU4	823	Fed Home Loan Bank		04/24/2014	8,000,000.00	7,999,840.00	7,999,833.33	0.025	0.026	30	07/01/2014
313385ZM1	824	Fed Home Loan Bank		04/24/2014	9,000,000.00	8,999,640.00	8,999,647.50	0.030	0.031	47	07/18/2014
313385D78	826	Fed Home Loan Bank		04/24/2014	6,000,000.00	5,999,400.00	5,999,555.00	0.030	0.031	89	08/29/2014
		<b>Subtotal and Average</b>	<b>52,384,553.21</b>		<b>46,000,000.00</b>	<b>45,997,820.00</b>	<b>45,998,164.16</b>		<b>0.033</b>	<b>47</b>	
<b>Local Agency Investment Funds</b>											
SYSS36	336	Local Agency Investmt Fund			50,000,000.00	50,015,855.90	50,000,000.00	0.228	0.228	1	
		<b>Subtotal and Average</b>	<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,015,855.90</b>	<b>50,000,000.00</b>		<b>0.228</b>	<b>1</b>	
		<b>Total and Average</b>	<b>165,232,318.39</b>		<b>159,412,145.17</b>	<b>159,469,654.15</b>		<b>0.247</b>	<b>0.247</b>	<b>196</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**May 31, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10104	10104	American Benefit Plan Admin		07/01/2013	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2013	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2013	511,980.76	511,980.76	511,980.76		0.000	1
SYS361	361	YORK		07/01/2013	250,000.00	250,000.00	250,000.00		0.000	1
<b>Average Balance</b>			<b>0.00</b>	<b>Accrued Interest at Purchase</b>	<b>26,802.08</b>	<b>26,802.08</b>	<b>26,802.08</b>			<b>1</b>
				<b>Subtotal</b>	<b>823,782.84</b>	<b>823,782.84</b>	<b>823,782.84</b>			
<b>Total Cash and Investments</b>			<b>165,232,318.39</b>		<b>160,251,778.36</b>	<b>160,235,928.01</b>	<b>160,293,436.99</b>		<b>0.247</b>	<b>196</b>

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# ORANGE COUNTY FIRE AUTHORITY

## Aging Report By Maturity Date

As of June 1, 2014

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	(06/01/2014 - 06/01/2014 )	6 Maturities	0 Payments	62,418,445.03	38.95%	62,418,445.03	62,434,300.93
Aging Interval: 1 - 30 days	(06/02/2014 - 07/01/2014 )	3 Maturities	0 Payments	25,000,000.00	15.60%	24,999,508.61	24,999,670.00
Aging Interval: 31 - 60 days	(07/02/2014 - 07/31/2014 )	2 Maturities	0 Payments	18,000,000.00	11.23%	17,999,407.50	17,999,370.00
Aging Interval: 61 - 91 days	(08/01/2014 - 08/31/2014 )	2 Maturities	0 Payments	13,000,000.00	8.11%	12,998,534.16	12,996,950.00
Aging Interval: 92 - 121 days	(09/01/2014 - 09/30/2014 )	1 Maturities	0 Payments	5,000,000.00	3.12%	4,999,570.83	4,999,300.00
Aging Interval: 122 - 152 days	(10/01/2014 - 10/31/2014 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 153 - 183 days	(11/01/2014 - 12/01/2014 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(12/02/2014 - 03/02/2015 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(03/03/2015 - 06/01/2015 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(06/02/2015 - 05/31/2017 )	2 Maturities	0 Payments	14,333,333.33	8.94%	14,328,716.92	14,321,860.00
Aging Interval: 1096 - 1825 days	(06/01/2017 - 05/31/2019 )	3 Maturities	0 Payments	22,500,000.00	14.05%	22,522,451.86	22,457,655.00
Aging Interval: 1826 days and after	(06/01/2019 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
				Total for	19 Investments	0 Payments	160,209,125.93



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2013 includes an increase of \$13,660 to the LAIF investment and a decrease of \$(494,359) to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



## ***Local Agency Investment Fund (LAIF)***

As of May 31, 2014, 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, 2014 is 1.000317118. When applied to OCFA's LAIF investment, the fair value is \$50,015,856 or \$15,856 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, 2014 is included on the following page.





***Orange County Fire Authority***  
***Preliminary Investment Report***  
***June 20, 2014***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**June 20, 2014**

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	15,125,693.71	15,125,693.71	15,125,693.71	9.76	1	1	0.001	0.001
Commercial Paper Disc. -Amortizing	7,000,000.00	6,998,530.00	6,999,251.39	4.52	113	55	0.070	0.071
Federal Agency Coupon Securities	36,833,333.33	36,692,818.33	36,846,966.69	23.78	1,439	751	0.670	0.679
Federal Agency Disc. -Amortizing	46,000,000.00	45,997,510.00	45,997,748.61	29.68	98	46	0.034	0.034
Local Agency Investment Funds	50,000,000.00	50,015,855.90	50,000,000.00	32.26	1	1	0.225	0.228
<b>Investments</b>	<b>154,959,027.04</b>	<b>154,830,407.94</b>	<b>154,969,660.40</b>	<b>100.00%</b>	<b>377</b>	<b>195</b>	<b>0.245</b>	<b>0.248</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	725,451.52	725,451.52	725,451.52		1	1	0.000	0.000
Accrued Interest at Purchase		26,802.08	26,802.08					
Subtotal		752,253.60	752,253.60					
<b>Total Cash and Investments</b>	<b>155,684,478.56</b>	<b>155,582,661.54</b>	<b>155,721,914.00</b>		<b>377</b>	<b>195</b>	<b>0.245</b>	<b>0.248</b>

	June 20 Month Ending	Fiscal Year To Date
Total Earnings		
Current Year	21,454.63	401,366.95
Average Daily Balance	161,082,927.93	136,233,626.09
Effective Rate of Return	0.24%	0.30%

"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, 2014. 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."

*Patheia Jakubiak* 6/27/14  
 Patheia Jakubiak, Treasurer

**Cash and Investments with GASB 31 Adjustment:**  
 Book Value of Cash & Investments before GASB 31 (Above) \$ 155,721,914.00  
 GASB 31 Adjustment to Books (See Note 3 on page 18) \$ (480,699.41)  
 Total \$ 155,241,214.59

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 20, 2014**

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

CUSIP	Investment #	Investor	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	High Mark 100% US Treasury MMF			15,125,693.71	15,125,693.71	15,125,693.71	0.001	0.001	1	
		<b>Subtotal and Average</b>	<b>19,236,384.57</b>		<b>15,125,693.71</b>	<b>15,125,693.71</b>			<b>0.001</b>	<b>1</b>	
<b>Commercial Paper Disc. - Amortizing</b>											
36959JHF3	825	GEN ELEC CAP CRP		04/24/2014	7,000,000.00	6,998,530.00	6,999,251.39	0.070	0.071	55	08/15/2014
		<b>Subtotal and Average</b>	<b>8,999,109.86</b>		<b>7,000,000.00</b>	<b>6,998,530.00</b>			<b>0.071</b>	<b>55</b>	
<b>Federal Agency Coupon Securities</b>											
3133ECM76	809	Federal Farm Credit Bank (callable anytime)		04/25/2013	9,000,000.00	8,983,080.00	8,996,133.43	0.400	0.424	671	04/22/2016
3134G4TC2	821	Fed Home Loan Mfg Corp (callable 7/30/14)		04/23/2014	7,500,000.00	7,510,725.00	7,508,141.75	1.550	0.545	39	01/30/2018
3133804V6	787	Fed Home Loan Bank (callable anytime)		08/09/2012	6,000,000.00	5,974,800.00	6,000,000.00	1.000	0.981	1,145	08/09/2017
3133813R4	800	Fed Home Loan Bank (callable 7/9/14)		12/20/2012	9,000,000.00	8,900,640.00	9,009,971.12	1.000	0.966	1,237	11/09/2017
313382DC4	803	Fed Home Loan Bank (callable anytime)		03/15/2013	5,333,333.33	5,323,573.33	5,332,720.39	0.470	0.477	625	03/07/2016
		<b>Subtotal and Average</b>	<b>36,848,962.69</b>		<b>36,833,333.33</b>	<b>36,692,818.33</b>			<b>0.679</b>	<b>751</b>	
<b>Federal Agency Disc. - Amortizing</b>											
313397F55	827	Freddie Mac		04/24/2014	5,000,000.00	4,999,450.00	4,999,654.17	0.030	0.031	83	09/12/2014
313385YV0	820	Fed Home Loan Bank		03/31/2014	9,000,000.00	8,999,910.00	8,999,910.00	0.030	0.031	12	07/03/2014
313385YU4	823	Fed Home Loan Bank		04/24/2014	8,000,000.00	7,999,920.00	7,999,944.44	0.025	0.026	10	07/01/2014
313385ZM1	824	Fed Home Loan Bank		04/24/2014	9,000,000.00	8,999,820.00	8,998,797.50	0.030	0.031	27	07/19/2014
313385D78	826	Fed Home Loan Bank		04/24/2014	6,000,000.00	5,999,580.00	5,999,655.00	0.030	0.031	69	08/29/2014
313385H33	828	Fed Home Loan Bank		06/19/2014	9,000,000.00	8,998,830.00	8,998,787.50	0.050	0.051	97	09/26/2014
		<b>Subtotal and Average</b>	<b>45,998,470.81</b>		<b>46,000,000.00</b>	<b>45,997,510.00</b>			<b>0.034</b>	<b>46</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Investmt Fund			50,000,000.00	50,015,855.90	50,000,000.00	0.228	0.228	1	
		<b>Subtotal and Average</b>	<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,015,855.90</b>			<b>0.228</b>	<b>1</b>	
		<b>Total and Average</b>	<b>161,082,927.93</b>		<b>154,959,027.04</b>	<b>154,830,407.94</b>			<b>0.248</b>	<b>195</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 20, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10104	10104	American Benefit Plan Admin		07/01/2013	15,000.00	15,000.00	15,000.00		0.000	1
SYS10033	10033	Revolving Fund		07/01/2013	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank of California		07/01/2013	440,451.52	440,451.52	440,451.52		0.000	1
SYS361	361	YORK		07/01/2013	250,000.00	250,000.00	250,000.00		0.000	1
<b>Average Balance</b>			<b>0.00</b>	<b>Accrued Interest at Purchase</b>	<b>26,802.08</b>	<b>26,802.08</b>	<b>26,802.08</b>			<b>1</b>
				<b>Subtotal</b>	<b>752,253.60</b>	<b>752,253.60</b>	<b>752,253.60</b>			
<b>Total Cash and Investments</b>			<b>161,082,927.93</b>		<b>155,684,478.56</b>	<b>155,582,661.54</b>	<b>155,721,914.00</b>		<b>0.248</b>	<b>195</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of June 21, 2014**

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

Aging Interval:		Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
0 days	( 06/21/2014 - 06/21/2014 )	65,851,145.23	42.29%	65,851,145.23	65,867,001.13
1 - 30 days	( 06/22/2014 - 07/21/2014 )	26,000,000.00	16.70%	25,999,651.94	25,999,650.00
31 - 60 days	( 07/22/2014 - 08/20/2014 )	7,000,000.00	4.50%	6,999,251.39	6,998,530.00
61 - 91 days	( 08/21/2014 - 09/20/2014 )	11,000,000.00	7.06%	10,999,309.17	10,999,030.00
92 - 121 days	( 09/21/2014 - 10/20/2014 )	9,000,000.00	5.78%	8,998,787.50	8,998,830.00
122 - 152 days	( 10/21/2014 - 11/20/2014 )	0.00	0.00%	0.00	0.00
153 - 183 days	( 11/21/2014 - 12/21/2014 )	0.00	0.00%	0.00	0.00
184 - 274 days	( 12/22/2014 - 03/22/2015 )	0.00	0.00%	0.00	0.00
275 - 365 days	( 03/23/2015 - 06/21/2015 )	0.00	0.00%	0.00	0.00
366 - 1095 days	( 06/22/2015 - 06/20/2017 )	14,333,333.33	9.20%	14,328,853.82	14,306,653.33
1096 - 1825 days	( 06/21/2017 - 06/20/2019 )	22,500,000.00	14.46%	22,518,112.87	22,386,165.00
1826 days and after	( 06/21/2019 - )	0.00	0.00%	0.00	0.00
Total for		18 Investments	100.00	155,695,111.92	155,555,859.46



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2013 includes an increase of \$13,660 to the LAIF investment and a decrease of \$(494,359) to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

**DISCUSSION CALENDAR - AGENDA ITEM NO. 4**  
**BUDGET AND FINANCE COMMITTEE MEETING**  
**July 9, 2014**

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief  
Support Services Department

SUBJECT: **Grant Purchase Approval - Generator and Backup Power for Fire Station 41 (Fullerton Airport)**

Summary:

This item seeks approval to purchase a generator along with design, engineering and installation costs in a total amount of \$437,000. The OCFA is seeking \$252,000 in grant funds to offset the cost.

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of July 24, 2014, with the Budget and Finance Committee's recommendation that the committee take the following actions:

1. Approve a CIP budget adjustment to Fund 122 (Facilities Maintenance and Improvement) for FY 2014/15 to increase appropriations by \$437,000.
2. Increase FY 2014/15 revenue in Fund 122 (Facilities Maintenance and Improvement) by \$252,000.

Background:

In 2009, the OCFA submitted a Federal Earmark request to purchase equipment for the Hand Crew. The earmark was supported by Congressman Calvert and located in the Pre-Disaster Mitigation (PDM) Grant Program under the Federal Emergency Management Agency (FEMA). Unfortunately, this subjected OCFA to PDM grant guidelines that restrict the use of funds for equipment. Instead, the PDM grant is designed to fund activities that mitigate risk to hazards such as earthquake, tsunami, flood, tornado, wind or wildfire. This typically involves construction, retrofit, relocation or the removal of material contributing to the hazard.

Prior to receipt of this earmark, the OCFA in our after action reviews of the 2007 Santiago and 2008 Freeway Complex Fires identified the community of Cowan Heights as one at risk from a wind driven wildfire. The decision was made in 2009 to apply PDM grant funds to mitigating this risk through fuel removal and education. However, FEMA's interpretation has been that the use of federal dollars requires a full Environmental Assessment (EA) requiring OCFA to hire a consultant in 2013. A draft EA was completed, but FEMA is requiring additional analysis.

The OCFA does not have funds budgeted to conduct ongoing environmental review. In addition, the draft review completed to date has placed significant restrictions on the project area. We had sought to address a 20-acre area but have now been limited to an area under 4 acres. The use of other local agreements, State funds, and in some cases Federal funding resources does not impose the same environmental restrictions.

At the February Budget and Finance Committee meeting, staff provided an update regarding the grant award including the restrictions impeding the project, and the Committee expressed a desire that further efforts be made to research alternative projects. In discussions with FEMA and the California Office of Emergency Services, we were informed that projects to ensure continued operation of essential facilities are viewed as eligible under the PDM grant.

***Fire Station 41***

Fire Station 41, located on Fullerton Airport, currently serves as OCFA's Air Operations facility. The facility was purchased in 2011 to accommodate the 2008 purchase of two Bell 412EP helicopters. The station does not have a permanent generator to provide backup power and ensure continued operation during an emergency. If power was lost during a high wind event, earthquake, or other disasters the hangar doors would not be able to open and aircraft inside would not be able to respond. A mobile generator is in place that allows the hangar doors to be opened, but not without increased time delays and effort. Staff submitted a project justification for Fire Station 41 to FEMA and was informed that the project is viable for application. Below is a detailed and more current project budget:

<b>Site Development &amp; Construction Plans</b> Architectural, Civil, Structural, and Electrical Engineering	\$30,000
<b>Building &amp; SCAQMD Permits</b>	\$7,500
<b>Construction</b> Grading, Foundation & Containment, Security, Testing & Commissioning	\$80,000
<b>Equipment Purchase</b> Generator	\$320,000
<b>Total</b>	<b>\$437,500</b>

Impact to Cities/County:  
None.

Fiscal Impact:

- One-time net cost to Fund 122 (Facilities Maintenance and Improvement) of \$185,500.
- Ongoing Fund 121 (General Fund) permit cost of \$1,140 annually.

Staff Contacts for Further Information:

Jay Barkman, Grants Administrator  
[jaybarkman@ocfa.org](mailto:jaybarkman@ocfa.org)  
(714) 573-6048

Attachments:  
None.

**DISCUSSION CALENDAR - AGENDA ITEM NO. 5**  
**BUDGET AND FINANCE COMMITTEE MEETING**  
**July 9, 2014**

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief  
Business Services Department

SUBJECT: **Community Risk Reduction Fee Study and Adoption of Associated Fee Schedules**

Summary:

This agenda item is submitted for approval of the proposed Community Risk Reduction (formerly Fire Prevention) and Miscellaneous fees (Attachment 1).

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of July 24, 2014, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Find that, in accordance with California Government Code Section 66014, the proposed fees do not exceed the cost of providing services and are only for the purpose of meeting operational expenses and are, therefore, exempt from compliance with the California Environmental Quality Act pursuant to Public Resources Code Section 21080.
3. Approve and adopt the proposed Resolution and Exemption Policy approving changes in Community Risk Reduction and Miscellaneous fees and effective date.

Background:

Fee-related Community Risk Reduction activities, which are generally completed by the OCFA staff in the Planning and Development Services Section (P&D), the Safety and Environmental Services Section (S&ES) and the Operations Department, include the following:

- Plan reviews and inspections for initial construction or improvement of facilities
- Issuance of operating and special event permits as required by the Fire Code

The OCFA's Community Risk Reduction fees were first adopted by the County effective July 1, 1991, and were subsequently updated in 1997, 2002, 2007, and 2012. As a result of direction from the OCFA Board of Directors in 1996 to pursue action to establish new cost recovery methods, staff conducted a more comprehensive study in 2002 and the Board subsequently adopted a policy of full cost recovery, with certain exceptions, for fee funded Community Risk Reduction services.

The last comprehensive fee study occurred in 2012 and concluded that some changes in the fee structure should be made to ensure that the fees do not exceed the cost of providing services and are only for the purpose of meeting operational expenses. The study resulted in some fees being decreased and some increased. The changes took place in two phases, the fee decreases were implemented on October 26, 2012, and the fee increases were implemented on May 1, 2013.

### ***2014 Community Risk Reduction Fee Study***

In February 2014, OCFA issued a Request for Quotes (RFQ) to solicit quotes from qualified consulting firms to provide fee study consulting services. Quotes were received from two consulting firms and Revenue & Cost Specialists (RCS) was selected as our fee consultant to oversee the process for the 2014 fee study. The significant activities performed by the RCS consultant included the following:

- Prior to the start of the fee study, reviewed the proposed costing *methodology* for reasonableness. OCFA staff (Community Risk Reduction and Finance staff) applied the approved methodology to the most current data to calculate the updated fees.
- Reviewed the indirect cost rate/overhead calculation for reasonableness.
- Reviewed the reasonableness and supporting detail for 10% of the highest volume fees or 20 fees, whichever is greater, for the P&D and S&ES programs.
- Reviewed fees with significant changes for reasonableness.
- Met or talked with various staff members who were involved in the fee study and who actually perform the work outlined in the fee study.
- Reviewed, for reasonableness, the fees that would be applied to the top 20 businesses impacted by any proposed fee changes. This provided a service recipient's perspective of the proposed fee changes.
- Finally, the consultant issued an opinion letter summarizing their review and will attend the Budget and Finance Committee and Board of Directors July meetings to address any questions.

### ***What were the Goals of the Fee Study?***

The goals of the fee study were as follows:

- Determine OCFA's cost to perform various fee-related and non-fee related services.
- Identify any additional services for which fees should be charged.
- Assess the current exemption policy.
- Develop revenue projections based on the proposed revisions to the fee schedule.
- Simplify the fee schedule, where possible.

In addition, the proposed fee schedule was designed to meet the following objectives:

- Conform to OCFA's policy of full cost recovery for fee funded activity.
- Be easily understood by employees and the public.
- Be easy to implement and administer.
- Have a process by which fees can be updated annually to continue full cost recovery where applicable.
- Incorporate recent and planned changes in the Community Risk Reduction service delivery and staffing model to realize process and cost efficiencies.

### ***What Fees are Involved?***

Consistent with prior fee studies, the following Community Risk Reduction Programs were included in the fee study:

Planning and Development (P&D) Services Section

P&D works with the development community and member jurisdictions to ensure that new and existing facilities undergoing modifications meet adopted fire and life safety requirements. The process is highly integrated with local partner agency planning and building permitting processes. Generally, the types of fees that P&D collects are for plan reviews, inspections and re-inspections. The OCFA currently collects the fees up-front as plans are submitted for review and subsequent site inspections are scheduled. Customers who return and inform OCFA that the project has been cancelled prior to performance of a site inspection receive a refund for the portion of fees.

Safety and Environmental Services (S&ES) Section

S&ES works to maintain and enhance safety in the built environment or during special events. Fees are not charged for routine fire safety inspections or investigation of complaints. The types of fees that S&ES collects include issuance of annual permits and performing inspections of potentially hazardous operations as prescribed by the California Fire Code or for special events, false alarm penalties, or other fire code violations.

***What was Involved in the Fee Study?***

OCFA staff worked with Revenue & Cost Specialists to conduct the fee study and identify the costs associated with the services provided. Attachment 2 to the staff report is a letter from RSC confirming that the methodology utilized is reasonable and the proposed fees do not exceed the cost of providing services.

***What were the Findings of the Fee Study?***

Staff anticipates the proposed fee schedules will decrease overall Community Risk Reduction revenues by approximately **\$891,556** annually based on estimated costs for each service activity. The estimated changes are summarized in the table below:

<u>Section</u>	<u>FY 2014/15 Proposed Revenue Based on New Fees *</u>	<u>FY 2014/15 Adopted Revenue</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
<b>Planning &amp; Development</b>	\$4,036,602	\$5,118,060	(\$1,081,458)	(21.13%)
<b>Safety &amp; Environmental Services</b>	<u>\$2,253,602</u>	<u>\$2,063,700</u>	<u>\$189,902</u>	<u>9.20%</u>
<b>Total Community Risk Reduction Program Revenue</b>	<u>\$6,290,204</u>	<u>\$7,181,760</u>	<u>(\$891,556)</u>	<u>(12.41%)</u>

\* For illustrative purposes, the proposed revenue incorporates the recommended exemption policy (Attachment 1A) for P&D and S&ES and is based on a July 1<sup>st</sup> implementation. Actual revenue will vary depending on actual fee activity and implementation date.

**What are the Cost Recovery Levels?**

Listed below are the cost recovery levels by program:

**Planning and Development**

	<b><u>Prog Costs</u></b>	<b><u>% of Total Prog Cost</u></b>
Fee Funded Activities <i>(Based on the proposed fee schedule)</i>	\$4,167,209	92.48%*
Exemptions	(\$130,608)	(2.90%)
<i>Total Fee Funded Activities - net</i>	\$4,036,601	89.58%
 <i>Non Fee Funded Activities</i>		
1. Annual Inspections Primarily includes assisting S&ES inspectors in researching of existing occupancies construction requirements. Examples of this include speed humps within gated communities, JWA requirements, fire pump installations, exiting and sprinkler system requirements.	\$29,626	0.66%
2. Two Dedicated Community Risk Reduction Positions These positions were included as part of the Service Level Agreement with the City of Irvine high volume demands from the development community to enhance service levels.	<u>\$309,151</u>	<u>6.86%</u>
 <i>Subtotal of Non-Fee Funded Activities</i>	 <u>\$338,777</u>	 <u>7.52%</u>
<b>Total Program Costs</b> (including exemptions)	<b><u>\$4,505,986</u></b>	<b><u>100.00%</u></b>

\* As noted above, the Planning & Development Section is 92.48% fee funded including exemptions that represent 2.90% of the total program costs. The non-fee funded activities represent 7.52% of the total Planning and Development program costs.

**Safety & Environmental Services**

	<b><u>Prog Costs</u></b>	<b><u>% of Total Prog Cost</u></b>
Fee Funded Activities <i>(Based on the proposed fee schedule)</i>	\$2,608,832	57.40%*
Exemptions	(\$355,230)	(7.82%)
<i>Total Fee Funded Activities - net</i>	\$2,253,602	49.58%
 <i>Non Fee Funded Activities</i>		
1. Ready, Set, Go! Ready, Set, Go! is the organizations vegetation management and home hardening program. The goal of the program is to improve the survivability of structures when threatened by a wildfire in the interface areas of the County. The annual efforts include education, inspections and home assessment activities	\$474,141	10.43%

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 Budget and Finance Committee Meeting  
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2. Malfunctioning Alarms	\$101,602	2.24%
<p>The goal of the program is to improve community safety by requiring business and property owners to maintain their fire alarm systems and repair systems that are not functioning properly. The annual efforts include monitoring multiple false alarm incidents at any given location and working with the owner to render systems functional.</p>		
3. Customer Inquiries	\$372,540	8.20%
<p>This activity includes responding to Fire and Building Code inquiries in residential and commercial occupancies. Additionally, responding to customer questions concerning California Fire and Building Code requirements for businesses.</p>		
4. Station Liaison	\$162,562	3.58%
<p>The Liaison Program is designed to enhance communication and provide an environment for open and collaborative relationships between Community Risk Reduction and Operations by providing Operations with area-wide training and support.</p>		
5. Property Public Records Act Request	\$17,787	0.39%
<p>This program is a State mandate that requires facilitating public records requests as they pertain to property.</p>		
6. Operations' Referrals	\$203,203	4.47%
<p>This activity provides annual inspection assistance to the Operation department. The efforts include assisting with complex inspections and/or accepting referrals due to the complex nature of the inspection and resulting compliance.</p>		
7. Collaborations/Partner with cities building industry	\$284,486	6.26%
<p>This activity is focused on our relationships with the communities we serve. The efforts include collaborative inspections, task force assistance, project meetings, development meetings and program development.</p>		
8. Hoarding Task Force	\$13,548	0.30%
<p>This activity focuses on reported hoarding situations throughout the communities that we serve. The efforts are focused on working with the Orange County Hoarding Task Force, providing inspections to establish dangerous fire and life safety hazards to the tenant or property as they pertain to hoarding conditions. These cases are generally referred to us through our City's code enforcement or through Operations emergency calls.</p>		
9. Non-Permitted Inspections	<u>\$306,162</u>	<u>6.74%</u>
<p>This inspection activity is the same as the permitted inspection activity. The exception is that no operational permit is required by code. These are generally selected inspections throughout our communities that have been identified as having potential for high risk fire and life safety loss.</p>		
<b><i>Subtotal of Non-Fee Funded Activities</i></b>	<b><u>\$1,936,031</u></b>	<b><u>42.60%</u></b>
<b>Total Program Costs</b> (including exemptions)	<b><u>\$4,544,863</u></b>	<b><u>100.00%</u></b>

\*As noted above, S&ES is 57.40% fee funded including exemptions that represent 7.82% total program costs. The non-fee funded activities represent 42.60% of the total Safety and Environmental Services program costs.

***Planning & Development Services Fees***

A total of 165 P&D fees are included in the attached fee schedule (Attachment 1B). Highlights from the P&D fee study include:

1. Number of fee increases – 4 with an average increase amount of \$62 or 25%
2. Number of fee decreases – 132 with an average decrease amount of \$131 or 14%
3. Number of fees exempt or hourly charges – 20
4. Number of exempt fees converted to flat fees - 4
5. Number of new fees – 5
6. Number of fees deleted – 2

***Safety and Environmental Services Fees***

164 S&ES fees related to permit issuance are included in the attached fee schedule (Attachment 1B). Highlights from this portion of the fee study include:

1. Number of fee increases – 6 with an average increase amount of \$48 or 12%
2. Number of fee decreases – 89 with an average decrease amount of \$215 or 49%
3. Number of fees unchanged - 4
4. Number of hourly rate fees – 26
5. Number of hourly rate fees converted to flat fees - 1
6. Number of fees deleted - 20

***Miscellaneous Fees***

The Miscellaneous Fees Schedule (Attachment 1C) was updated to reflect current allowable cost consistent with the Government Code. These fees are charged when staff responds to a Public Records Request that requires specialized information or reports and/or copies of existing documents.

**Why did the fees drop?**

The changes to the various fees are attributable to the following:

***Overall:***

**Indirect Cost Rate Proposal (ICRP)/Overhead Rate**

The OCFA indirect cost rate or overhead rate was calculated based on Federal OMB guidelines used for grants and Assist-by-Hire claims with modifications. The updated ICRP rate is 11.88% which is a 3.26% decrease from the 2012 Fee Study rate of 14.88%. The reduction is primarily due to the cost containment measures that were implemented over the past five years and the addition of Santa Ana, which resulted in existing support personnel serving a larger pool of frontline personnel.

***Programs:***

**Under-filling Positions**

OCFA has seen a continued growth in the building industry and the demands for Planning and Development activities are a direct reflection of the rising market. To address the increased workload, OCFA has filled or is in the process of filling some of the previously frozen positions.

It is anticipated that some of these positions will be hired at the entry or lower classification and will be promoted to the next classification level after completing one year of successful performance. As a result, the personnel costs are lowered this year and will increase once the positions are promoted.

#### Planning and Development Services

The Planning and Development workload volume that the administrative and supervisory time was allocated across increased from approximately 6,200 to 9,600. In order to meet the higher workload demand, two previously frozen positions will be filled in 2014-15 to ensure the ability to continue to be responsive to the building community and meeting plan submittal turnaround time.

#### Safety and Environmental Services

Our data collection continues to improve with this Fee Study. It allows us to produce more reliable data and incorporates the Department's efforts in focusing on high risk facilities and reducing life/property loss. The non-fee funded programs are better defined than in the 2012 Fee Study and now include staff time estimates along with administrative and supervisory time allocations.

#### New Fees

Included in the proposed fee schedule are the following new fees:

1. Photovoltaic System for Residential Customers - Plan review and inspection for 1 or 2 family dwellings solar systems. This service was previously exempt.
2. 13D Re-inspection Fee - Re-inspection for 1 or 2 family dwellings fire sprinkler systems.
3. Penalty for Failure to Cancel Scheduled Inspection - Failure to cancel an inspection by 1:00pm the day prior to the inspection.

#### Revisions to the Existing Exemption Policy

Staff is recommending that the Board remove the exemption on the residential fire sprinklers system. The current building code requires sprinkler system to be installed at all single-family homes. Therefore, the exemption should be lifted.

#### ***Outreach Activities:***

Orange County Building Industry Association (OC BIA) was given preliminary notice of the fee study project on March 31, 2014. In addition, staff have met with the OC BIA Executive Director and shared the fee study preliminary results. OC BIA comments and input will be shared verbally at the Budget and Finance Committee meeting.

#### Impact to Cities/Counties:

None.

#### Fiscal Impact:

The proposed fee schedule (including the exemptions policy) and depending upon volume of activity, is estimated to result in an approximate \$891,556 decrease in Fiscal Year 2014/15 revenue from the current projection of \$7.1 million.

Staff Contacts for Further Information:

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Lori Smith, Assistant Chief, Fire Marshal  
Community Risk Reduction Department  
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(714) 573-6016

Lori Zeller, Assistant Chief  
Business Services Department  
[LoriZeller@ocfa.org](mailto:LoriZeller@ocfa.org)  
(714) 573-6018

Attachments:

1. Proposed Resolution approving changes in Community Risk Reduction Fees
  - a. Proposed Exemption Policy
  - b. Proposed Fee Schedule with comparisons
  - c. Miscellaneous Fee Schedule
2. Revenue & Cost Specialists' Opinion Letter
3. Proposed fee schedule – Public version without comparisons
4. The detail analysis schedules from the 2014 Fee Study (On file at the Office of the Clerk of the Authority)

**RESOLUTION NO. 2014-XX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY SUPERSEDING RESOLUTION NOS. 2007-17, 2008-26, 2009-10, 2011-04, AND 2012-09, 2013-05 AND APPROVING CHANGES IN COMMUNITY RISK REDUCTION (FORMERLY FIRE PREVENTION) FEES**

*WHEREAS*, the Joint Powers Agreement establishing the Orange County Fire Authority authorizes the Authority to levy and collect fees for services; and

*WHEREAS*, a 2014 study has been recently completed to update the cost of each individual Community Risk Reduction service provided by the Orange County Fire Authority; and

*WHEREAS*, the Board of Directors finds that in accordance with California Government Code Section 66014, the proposed Community Risk Reduction (formerly Fire Prevention) fees do not exceed the cost of providing services and are only for the purpose of meeting operational expenses and are, therefore, exempt from compliance with the California Environmental Quality Act pursuant to Public Resources Code Section 21080; and

*NOW THEREFORE, BE IT RESOLVED* that the Board of Directors of the Orange County Fire Authority does hereby adopt the Exemption Policy and approve the fees set forth in Attachment 1A, 1B, and 1C attached hereto, effective September 29, 2014.

*NOW THEREFORE, BE IT RESOLVED* that the Board of Directors of the Orange County Fire Authority does hereby adopt the Exemption Policy and approve the fees set forth in Attachment 1A, 1B, and 1C attached hereto, effective September 29, 2014.

*BE IT FURTHER RESOLVED* that said Community Risk Reduction Fees and Charges Schedules shall be adjusted July 1 of each succeeding year. The fee adjustments will be the same as the percentage adjustments in the Authority salary and employee benefits provided for in the Memoranda of Understanding for the General and Supervisory Units. The adjustments will not exceed the cost of providing these services.

*PASSED, APPROVED, AND ADOPTED* this 24<sup>th</sup> day of July 2014.

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STEVEN WEINBERG, CHAIR  
Board of Directors

ATTEST:

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

**Orange County Fire Authority**  
**ORANGE COUNTY FIRE AUTHORITY**  
**EXEMPTIONS AND EXCEPTIONS POLICY**  
**COMMUNITY RISK REDUCTION**  
**Effective July 25, 2014**

The following activities and/or entities shall be exempt from fees charged for Community Risk Reduction services on the attached fee schedules:

1. Facilities owned and operated by OCFA Partner Agencies (including the County of Orange) and funded from the Partner Authority's general fund. Enterprise funded departments of Partner Agencies (such as Orange County Integrated Waste Management) are not exempt.
2. Day-care facilities owned and operated by public schools and unified school districts.
3. Official Services to include all plan checking, fire permits and inspection activities at public schools, unified school districts, community colleges and universities whose policy-making body is subject to the Brown Act. Special events funded by an entity other than the policy-making body, false alarms, and additional services not described herein are subject to fees.
4. Construction of unenclosed accessory structure within a wildland interface area (e.g. patio cover, fire pit, gazebo, etc.)
5. Automotive Compressed Natural Gas refueling stations installed within a residential structure. (added in 2008)
6. Fire false alarm response at single-family homes.
7. Projects and activities related to the Orange County Fire Authority Nonprofit Foundation.
8. Businesses storing propane in quantities less than or equal to 125 gallons.

The Fire Marshal may exempt any Community Risk Reduction fee when, in the opinion of the Fire Marshal, the fee is determined to be a minimal risk to the community or environment and a single issuance permit/penalty. The request must be submitted and approved in writing.

**ORANGE COUNTY FIRE AUTHORITY**

**PROPOSED FEE SCHEDULE  
PLANNING AND DEVELOPMENT SERVICES  
Effective Date - no later than September 29, 2014**

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)	\$ Change	% Change
PR100	California Environmental Quality Act (CEQA), Environmental Impact Report (EIR), Notice of Preparation (NOP), and Advance Planning	\$471	\$400	(\$71)	-15.03%
PR105	Conditional use, site development, and coastal development permit	\$471	\$400	(\$71)	-15.03%
PR110	Map review (A map) – tentative tract map/screen check	\$561	\$480	(\$80)	-14.35%
PR115	Final map review (B Map) and/or clearance letter for print of linen	\$404	\$340	(\$64)	-15.74%
PR120	Conceptual fuel modification (inspection not included)	\$910	\$868	(\$42)	-4.58%
PR124	Precise fuel modification (includes vegetation clearance inspection for lumber drop, final, and HOA turnover inspections)	\$1,283	\$1,142	(\$141)	-11.02%
PR124i	Precise fuel modification – INSP ONLY	\$539	\$498	(\$41)	-7.63%
PR127i	Fuel Modification Maintenance Inspection -Customer requested or complaint initiated for Tract Development	\$868	\$774	(\$94)	-10.78%
PR140	Infrastructure plan – multiple tracts – review of street standards, road lengths, and vehicle entry points, cul-de-sac design, etc. for multi-tract developments	\$1,130	\$978	(\$153)	-13.50%
PR145	Fire master plan – Emergency access and fire hydrant location, fire lane markings, or vehicle gates across emergency access drives	\$1,029	\$849	(\$180)	-17.52%
PR145i	Fire master plan – Emergency access and fire hydrant location, fire lane markings, or vehicle gates - INSP ONLY	\$362	\$315	(\$48)	-13.13%
PR146	Fire protection plan – an alternative to CBC Chapter 7A construction requirements for development in a fire hazard severity zone. Must be used in conjunction with PR910 - Alternate method and materials request	Exempt	Exempt	N/A	N/A
PR150	Fire master plan – public school	Exempt	Exempt	N/A	N/A
PR155	Temporary fire master plan - proposed emergency access these roads will not remain once the project is complete.	\$783	\$845	\$62	7.93%
PR155i	Temporary fire master plan - proposed emergency access these roads will not remain once the project is complete. INSP	\$305	\$265	(\$40)	-13.13%
PR160	Residential site review for single family dwelling consisting of one or two units	\$580	\$650	\$70	12.15%
PR160i	Residential site review for single family dwelling – INSP ONLY	\$134	\$116	(\$18)	-13.13%
PR170	Methane work plan	\$292	\$240	(\$51)	-17.65%
PR172	Methane findings & recommendations (Currently included with the Methane work plan)	\$336	\$280	(\$56)	-16.73%
PR174	Methane mitigation plan	\$426	\$360	(\$66)	-15.48%
PR176	Methane final letter (Currently included with the Methane mitigation plan)	\$269	\$220	(\$49)	-18.22%
PR180	Vehicle or pedestrian gates across emergency access roads	\$527	\$446	(\$81)	-15.43%
PR180i	Vehicle or pedestrian gates across emergency access roads- INSP ONLY	\$191	\$166	(\$25)	-13.13%
PR182	Unenclosed accessory structure/outdoor fire place/fire pit in special fire areas. Inspection not required	Exempt	Exempt	N/A	N/A
PR184	Speed hump review and drive test	\$834	\$719	(\$115)	-13.82%
PR186	Operations pre-planning automation. Fee waived if criteria on handout are satisfied	\$789	\$684	(\$105)	-13.32%
PR192	Addressing Layout Developments - Commercial/Residential	Hourly Rate	Hourly Rate	N/A	N/A
PR200	All A Occupancy > 10,000 square feet aggregate	\$1,942	\$1,697	(\$246)	-12.64%
PR200i	All A Occupancy > 10,000 square feet aggregate INSP ONLY	\$687	\$597	(\$90)	-13.13%
PR204	All A Occupancy ≤ 10,000 square feet aggregate area)	\$1,428	\$1,241	(\$187)	-13.09%
PR204i	All A Occupancy ≤ 10,000 square feet aggregate area) INSP ONLY	\$553	\$481	(\$73)	-13.13%
PR208	All A ≤ 1500 square feet	\$1,252	\$1,084	(\$167)	-13.38%
PR208i	All A ≤ 1500 sq. ft. INSP ONLY	\$534	\$464	(\$70)	-13.13%
PR212	Educational other than day care	\$1,061	\$918	(\$142)	-13.43%
PR212i	Educational other than day care - INSP ONLY	\$343	\$298	(\$45)	-13.13%
PR216	Day Care E or I-4 (Portable or re-locatable < 1000 sq. ft.) aggregate	\$847	\$729	(\$118)	-13.94%
PR216i	Day Care E or I-4 (Portable or re-locatable < 1000 sq. ft.) INSP ONLY	\$286	\$249	(\$38)	-13.13%
PR220	E Day Care or I-4, E3 Daycare (see PR212 for any combination of E occupancies sharing common egress)	\$1,378	\$1,202	(\$176)	-12.79%
PR220i	E Day Care or I-4 - INSP ONLY	\$324	\$282	(\$43)	-13.13%
PR224	F: ≤10,000 sq. ft. (also used for B,M,S occupancies when required by Permit Screening Form or Building Official)	\$1,228	\$1,030	(\$198)	-16.12%
PR224i	F ≤ 10,000 sq. ft. - INSP ONLY	\$439	\$381	(\$58)	-13.13%
PR228	F: >10,000 sq. ft. (also used for B,M,S occupancies when required by Permit Screening Form or Building Official)	\$1,866	\$1,593	(\$272)	-14.60%
PR228i	F: >10,000 sq. ft. - INSP ONLY	\$687	\$597	(\$90)	-13.13%
PR232	H1, H2, H3, H4 or L Occupancy - Chemical classification fee (PR320-PR328) also required	\$2,231	\$1,953	(\$277)	-12.42%
PR232i	H1, H2, H3, H4, or L Occupancy Chemical classification fee (PR320-PR328) INSP ONLY	\$706	\$613	(\$93)	-13.13%
PR236	S1 - Motor Vehicle Repair Garages (Chem class fee included for above ground hazardous materials)	\$1,325	\$1,147	(\$178)	-13.41%
PR236i	S1 - Motor Vehicle Repair Garages INSP ONLY	\$629	\$547	(\$83)	-13.13%
PR240	S1 -Aircraft Repair Hanger (Chem class fee, (PR320-PR328) also required)	\$1,656	\$1,448	(\$208)	-12.56%
PR240i	S1 -Aircraft Repair Hanger INSP ONLY	\$401	\$348	(\$53)	-13.13%
PR244	H5 Occupancy (Chem class fee (PR320-PR328), also required)	Hourly Rate	Hourly Rate	N/A	N/A
PR244i	H5 Occupancy INSP ONLY	Hourly Rate	Hourly Rate	N/A	N/A
PR248	Structures with non-ambulatory or incapacitated occupants (I-1, I-2, I-2.1, R-2.1 occupancies)	Hourly Rate	Hourly Rate	N/A	N/A
PR248i	Structures with non-ambulatory or incapacitated occupants. (I-1, I-2, I-2.1, R-2.1 occupancies) INSP ONLY	Hourly Rate	Hourly Rate	N/A	N/A

(b) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

**ORANGE COUNTY FIRE AUTHORITY**

**PROPOSED FEE SCHEDULE  
PLANNING AND DEVELOPMENT SERVICES**

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)	\$ Change	% Change
PR256	I3: Structures with restrained occupants, 3 cells or less	\$677	\$579	(\$98)	-14.53%
PR256i	I3: Structures with restrained occupants, 3 cells or less - INSP ONLY	\$229	\$199	(\$30)	-13.13%
PR260	I3: Structures with restrained occupants, more than 3 cells	\$2,960	\$2,603	(\$357)	-12.06%
PR260i	I3: Structures with restrained occupants, more than 3 cells INSP ONLY	\$763	\$663	(\$100)	-13.13%
PR264	R1 or R2 Hotels, motels, apartments, condominiums with ≤ 50 dwelling units per building	\$835	\$725	(\$110)	-13.18%
PR268	R1 or R2 Hotels, motels, apartments, condominiums with 51 to 150 dwelling units per building.	\$1,895	\$1,657	(\$238)	-12.55%
PR272	R1 or R2 Hotels, motels, apartments, condominiums with > 150 dwelling units per building.	Hourly Rate	Hourly Rate	N/A	N/A
PR276	R4 licensed residential care/ assisted living facilities and similar uses serving 7-19 clients. Facilities serving 6 or less clients, submit only to S&ES.	\$1,377	\$1,198	(\$179)	-13.02%
PR276i	R4 licensed residential care/ assisted living facilities and similar uses serving 7-19 clients. INSP ONLY	\$458	\$398	(\$60)	-13.13%
PR280	R4 licensed residential care/ assisted living facilities and similar uses serving ≥ 20 clients.	\$2,348	\$2,056	(\$292)	-12.43%
PR280i	R4 licensed residential care/ assisted living facilities and similar uses serving ≥ 20 clients. INSP ONLY	\$801	\$696	(\$105)	-13.13%
PR285	Hi-Rise: Structures that are 55 ft or higher measured from lowest point of fire department access	\$6,420	\$5,661	(\$759)	-11.83%
PR285i	High-rise: Structures that are 55' or higher in height - INSP ONLY	\$2,003	\$1,740	(\$263)	-13.13%
PR300	Above-ground storage tank, including equipment (see PR625 for temporary above-ground storage tanks)	\$1,053	\$908	(\$146)	-13.83%
PR300i	Above-ground storage tank, including equipment -INSP ONLY	\$515	\$447	(\$68)	-13.13%
PR305	Dispensing from underground storage tank: New installation (Single fee for all tanks at a single location) (Aboveground safety/components only)	\$837	\$718	(\$118)	-14.14%
PR305i	Dispensing from underground storage tank: New Installation, INSP ONLY (Aboveground safety/components only)	\$343	\$298	(\$45)	-13.13%
PR310	Dispensing from Underground storage tank: Repair, alteration, abandonment (Aboveground safety/components only)	\$555	\$469	(\$87)	-15.59%
PR315	Hazardous Material Process/Storage for Non - H Occupancies. Use with PR320-PR328. Also for outdoor LPG exchange stations; separate chemical classification review not required.	\$1,027	\$884	(\$143)	-13.95%
PR315i	Hazardous Material Process/Storage for Non - H Occupancies – INSP ONLY	\$534	\$464	(\$70)	-13.13%
PR320	Chemical Classification Review. Category I: 1-15 chemicals	\$841	\$657	(\$184)	-21.85%
PR322	Chemical Classification Review. Category II: 16-50 chemicals	\$1,523	\$1,019	(\$504)	-33.07%
PR324	Chemical Classification Review. Category III: 51-100 chemicals	\$1,754	\$1,188	(\$566)	-32.29%
PR326	Chemical Classification Review. Category IV: > 100 chemicals	\$2,325	\$1,577	(\$748)	-32.18%
PR328	Chemical Classification Review. Unusual chemicals/quantities as determined by the Hazardous Material Section	Hourly Rate	Hourly Rate	N/A	N/A
PR330	High-piled storage: code/commodity compliance	\$1,433	\$1,244	(\$190)	-13.24%
PR330i	High-piled storage - INSP ONLY	\$648	\$563	(\$85)	-13.13%
PR335	Commercial cooking hood and duct system (per system)	\$501	\$419	(\$82)	-16.44%
PR335i	Commercial cooking hood and duct system (per system) - INSP ONLY	\$210	\$182	(\$28)	-13.13%
PR340	Refrigeration unit and system: having a refrigerant circuit containing more than 220 pounds of Group A1 or 30 pounds of any other refrigerant	\$1,514	\$1,142	(\$373)	-24.61%
PR340i	Refrigeration unit and system – INSP ONLY	\$689	\$566	(\$123)	-17.84%
PR345	Spray booth, spraying area: mechanically ventilated appliance provided to enclose or accommodate a spraying operation (Spraying room see H2)	\$1,175	\$1,018	(\$157)	-13.40%
PR345i	Spray booth, spraying area - INSP ONLY	\$458	\$398	(\$60)	-13.13%
PR350	Gas systems: medical gas, industrial gas (including piping and manifolds)	\$1,363	\$1,180	(\$183)	-13.40%
PR350i	Gas systems: medical gas, industrial gas – INSP ONLY	\$668	\$580	(\$88)	-13.13%
PR355	Dry Cleaning (cleaning solution) - Quantity must exceeds 330 or 660 gals)	\$837	\$718	(\$118)	-14.14%
PR360	Special equipment: industrial ovens, vapor recovery, dust collection	\$821	\$637	(\$184)	-22.45%
PR360i	Special equipment: industrial ovens, vapor recovery, dust collection - INSP ONLY	\$629	\$547	(\$83)	-13.13%
PR362	Photovoltaic System - Residential	\$0	\$249	N/A	N/A
PR362i	Photovoltaic System - Residential INSP ONLY	\$0	\$99	N/A	N/A
PR363	Photovoltaic System - Commercial (Requested by Building Official)	Exempt	Exempt	N/A	N/A
PR363i	Photovoltaic System - Commercial (Requested by Building Official) - INSP ONLY	Exempt	Exempt	N/A	N/A
PR365	Special extinguishing system: dry chemical, CO2, FM 200, foam liquid systems, inert gas (Halon, Inergen etc.)	\$505	\$426	(\$79)	-15.63%
PR365i	Special extinguishing system – INSP ONLY	\$191	\$166	(\$25)	-13.13%
PR375	Battery Systems, stationary storage and cell sites (chemical quantities require application of CFC Art 64 or 2007 IFC Section 608)	\$996	\$858	(\$138)	-13.87%
PR375i	Battery systems INSP ONLY	\$458	\$398	(\$60)	-13.13%
PR380	Smoke control systems; review of rational analysis	\$1,352	\$1,187	(\$166)	-12.26%
PR382	Smoke control systems: design/testing – inc. 1 submittal meeting w/customer	\$5,326	\$4,686	(\$640)	-12.01%
PR382i	Smoke control systems: design/testing INSP ONLY	\$1,945	\$1,690	(\$255)	-13.13%
PR400	NFPA 13D fire sprinkler system: One or two family dwelling - custom home (single lot)	\$648	\$638	(\$10)	-1.53%
PR400i	NFPA 13D fire sprinkler system: One or two family dwelling - custom home (single lot) - INSP ONLY	\$158	\$239	\$81	51.23%
PR401	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot)	Exempt	\$569	N/A	N/A
PR401i	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot) - INSP ONLY	Exempt	\$272	N/A	N/A
PR402	TI to NFPA 13D fire sprinkler system: ≤ 25 heads without calculations	Exempt	\$382	N/A	N/A
PR402i	TI to NFPA 13D fire sprinkler system: ≤ 25 heads without calculations - INSP ONLY	Exempt	\$222	N/A	N/A

(b) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

**ORANGE COUNTY FIRE AUTHORITY**  
**PROPOSED FEE SCHEDULE**  
**PLANNING AND DEVELOPMENT SERVICES**  
 Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)	\$ Change	% Change
PR405	NFPA 13D fire sprinkler system: One or two family dwelling - within new tract developments	\$545	\$472	(\$73)	-13.36%
PR405i	NFPA 13D fire sprinkler system: One or two family dwelling - INSP ONLY	\$215	\$272	\$57	26.41%
PR406	NFPA 13D Multi-purpose fire sprinkler system (tract, custom or existing home) (FOR INTERNAL TRACKING PURPOSE)	\$0	\$0	\$0	0.00%
PR406i	NFPA 13D Multi-purpose fire sprinkler system (tract, custom or existing home) – INSP ONLY (FOR INTERNAL TRACKING PURPOSE)	\$0	\$0	\$0	0.00%
PR401	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot)	\$1,096	\$941	(\$154)	-14.09%
PR401i	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot) - INSP ONLY	\$445	\$388	(\$57)	-12.89%
PR415	NFPA 13R fire sprinkler system >16 units	\$1,219	\$1,054	(\$165)	-13.56%
PR415i	NFPA 13R fire sprinkler system >16 units INSP ONLY	\$636	\$554	(\$82)	-12.96%
PR420	New NFPA 13 fire sprinkler system: ≤ 100 heads with 1 riser	\$971	\$832	(\$140)	-14.38%
PR420i	New NFPA 13 fire sprinkler system: ≤ 100 heads with 1 riser – INSP ONLY	\$388	\$338	(\$50)	-12.86%
PR425	New NFPA 13 fire sprinkler system:>100 fire sprinkler heads w/1 riser	\$1,175	\$1,011	(\$164)	-13.98%
PR425i	New NFPA 13 fire sprinkler system: each additional riser OR per floor in buildings >3 stories. - INSP ONLY	\$484	\$421	(\$62)	-12.91%
PR430	TI to NFPA 13, 13R fire sprinkler system: ≤ 25 heads without calculations	\$396	\$329	(\$67)	-16.85%
PR430i	TI to NFPA 13, 13R fire sprinkler system: ≤ 25 heads without calculations - INSP ONLY	\$217	\$189	(\$27)	-12.64%
PR435	TI to NFPA 13, 13R fire sprinkler system: 26 - 99 heads without calculations	\$683	\$578	(\$105)	-15.33%
PR435i	TI to NFPA 13, 13R fire sprinkler system: 26 - 99 heads without calculations - INSP ONLY	\$369	\$322	(\$47)	-12.84%
PR440	TI to NFPA 13, 13R fire sprinkler system: ≥ 100 heads OR other TIs requiring calculation review	\$984	\$841	(\$142)	-14.47%
PR440i	TI to NFPA 13, 13R fire sprinkler system: ≥ 100 heads OR other TIs requiring calculation review - INSP ONLY	\$445	\$388	(\$57)	-12.89%
PR445	Pre-action fire sprinkler system: Includes the fire alarm system when submitted together	\$932	\$801	(\$131)	-14.03%
PR445i	Pre-action fire sprinkler system: INSP ONLY	\$484	\$421	(\$62)	-12.91%
PR450	New or TI to NFPA 13 in-rack fire sprinkler systems	\$1,087	\$932	(\$155)	-14.27%
PR450i	New or TI to NFPA 13 in-rack sprinkler fire sprinkler systems - INSP ONLY	\$369	\$322	(\$47)	-12.84%
PR455	NFPA 13 small hose stations	\$527	\$446	(\$81)	-15.43%
PR455i	NFPA 13 small hose stations – INSP ONLY	\$236	\$206	(\$30)	-12.68%
PR460	NFPA 14 Class I, II or III standpipes (includes all standpipes within a single building)	\$1,200	\$1,030	(\$170)	-14.14%
PR460i	NFPA 14 standpipes INSP ONLY	\$617	\$537	(\$80)	-12.96%
PR465	Fire pump installation	\$1,163	\$1,008	(\$155)	-13.31%
PR465i	Fire pump installation - INSP ONLY	\$401	\$348	(\$53)	-13.13%
PR470	Underground fire protection system: single hydrant OR single riser connection	\$939	\$746	(\$193)	-20.54%
PR470i	Underground fire protection system: single hydrant or riser. INSP ONLY	\$515	\$447	(\$68)	-13.13%
PR475	Underground fire protection: ≤ 4 additional connections for hydrants or risers - use with PR470	\$889	\$757	(\$132)	-14.88%
PR475i	Underground fire protection system: use with PR475 - INSP ONLY	\$553	\$481	(\$73)	-13.13%
PR480	Underground repair	\$583	\$491	(\$92)	-15.75%
PR480i	Underground repair – INSP ONLY	\$381	\$331	(\$50)	-13.13%
PR500	Fire sprinkler monitoring system (Unlimited water flow & tamper switches), & Fire alarm system with≤ 10 devices.	\$415	\$342	(\$73)	-17.51%
PR500i	Fire sprinkler monitoring system – INSP ONLY	\$191	\$166	(\$25)	-13.13%
PR510	Fire alarm system: 11-20 initiating devices and/or ≤ 40 notification devices	\$694	\$590	(\$104)	-15.00%
PR510i	Fire alarm system: 11-20 initiating devices and/or ≤ 40 notification devices, INSP ONLY	\$248	\$215	(\$33)	-13.13%
PR520	Fire alarm system: >20 initiating and/or >40 notification devices	\$1,178	\$1,047	(\$131)	-11.13%
PR520i	Fire alarm system: >20 initiating and/or >40 notification devices, INSP ONLY	\$420	\$365	(\$55)	-13.13%
PR610	Field review/inspection – Underground repair	\$467	\$404	(\$62)	-13.38%
PR615	Field Plan Review / Inspection Private CNG refueling appliance within a single family residence. (no permit required)	Exempt	Exempt	N/A	N/A
PR625	Field Review/ Inspection -Temporary above-ground storage tanks, including equipment	\$276	\$239	(\$37)	-13.56%
PR630	Field review/inspection TI to NFPA 13, 13R sprinkler systems: ≤ 25 heads without calculations	\$352	\$305	(\$47)	-13.47%
PR635	Field review/inspection TI to NFPA 13, 13R sprinkler systems: 26-99 heads without calculations	\$390	\$338	(\$52)	-13.43%
PR900	Coordination/Pre-submittal Meetings: (Initial 2 hours)	\$566	\$504	(\$62)	-11.03%
PR905	Written response to inquiry	\$565	\$534	(\$32)	-5.57%
PR910	Alternate Method and Material Request	\$1,026	\$747	(\$279)	-27.17%
PR920	Plan resubmittal: fee charged on 3rd and each subsequent submittal	Hourly Rate	Hourly Rate	N/A	N/A
PR922	Plan revision	Hourly Rate	Hourly Rate	N/A	N/A
PR924	Re-stamp of plans with wet stamp when submitted with approved plans	Hourly Rate	Hourly Rate	N/A	N/A
PR926	Accelerated plan review (fee is in addition to base fee assessed for plan review)	Hourly Rate	Hourly Rate	N/A	N/A
PR928	Plan Review time and materials fee: Charged for miscellaneous applications such as unusual time intensive projects, research, travel time, etc.	Hourly Rate	Hourly Rate	N/A	N/A
PR938i	13D Reinspection 1-10	\$0	\$146	N/A	N/A
PR939i	13D Reinspection 11+	\$0	\$195	N/A	N/A
PR940i	Inspection time and materials fee: Charged for miscellaneous applications such as Time Intensive projects, research, travel time, etc.	Hourly Rate	Hourly Rate	N/A	N/A
PR942i	Re-inspection fee: Charged when project is not completed or cannot be approved during regular inspection	\$226	\$195	(\$31)	-13.57%
PR943	Penalty for Failure to Cancel Scheduled Inspection	\$0	50%	N/A	N/A
PR944i	Special inspection request: after-hours, weekend, or overtime inspections	Hourly Rate	Hourly Rate	N/A	N/A

(b) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE

### SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)	\$ Change	% Change
AA1	Aerosol – Issuance	\$402	\$225	(\$177)	-44.03%
AA1R	Aerosol - Reissuance	\$322	\$138	(\$184)	-57.14%
AA2	Aircraft Refueling – Issuance	\$417	\$451	\$34	8.15%
AA2R	Aircraft Refueling – Reissuance	\$274	\$295	(\$122)	-29.26%
AA3	Aviation Facility – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AA3R	Aviation Facility – Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AA4	Asbestos Removal - Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AA5	Waste Handling – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AA5R	Waste Handling – Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AA6	Amusement Building – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AA6R	Amusement Building – Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AB1	Battery System – Issuance, not an annual permit, one time charge - Delete	Hourly Rate	Delete	N/A	N/A
AB2	Floor Finishing – Issuance/Reissuance - Delete	Hourly Rate	Delete	N/A	N/A
AC1	Candles/Open flame – Issuance	\$338	\$156	(\$182)	-53.85%
AC1R	Candles/Open flame – Reissuance	\$322	\$138	(\$184)	-57.14%
AC2	Carnival or Fair – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AC5	Combustible Fiber Storage – Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AC5R	Combustible Fiber Storage – Reissuance - Delete	Hourly Rate	Delete	N/A	N/A
AC6	Combustible Material Storage – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AC6R	Combustible Material Storage – Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AC71	Compressed Gas – Corrosive Issuance	\$418	\$243	(\$175)	-41.87%
AC71R	Compressed Gas – Corrosive Reissuance	\$338	\$156	(\$182)	-53.85%
AC710	Compressed Gas-Toxic - Issuance	\$418	\$243	(\$175)	-41.87%
AC710R	Compressed Gas-Toxic - Reissuance	\$338	\$156	(\$182)	-53.85%
AC72	Compressed Gas – Flammable Gas Issuance	\$418	\$243	(\$95)	-28.11%
AC72R	Compressed Gas – Flammable Gas Reissuance	\$338	\$156	(\$182)	-53.85%
AC73	Compressed Gas-Highly Toxic - Issuance	\$418	\$243	(\$175)	-41.87%
AC73R	Compressed Gas-Highly Toxic - Reissuance	\$338	\$156	(\$182)	-53.85%
AC74	Compressed Gas – Inert Gas Issuance	\$370	\$190	(\$180)	-48.65%
AC74R	Compressed Gas – Inert Gas Reissuance	\$322	\$138	(\$184)	-57.14%
AC76	Compressed Gas-Oxidizer - Issuance	\$418	\$243	(\$175)	-41.87%
AC76R	Compressed Gas-Oxidizer - Reissuance	\$338	\$156	(\$182)	-53.85%
AC77	Compressed Gas – Pyrophoric - Issuance	\$402	\$225	(\$177)	-44.03%
AC77R	Compressed Gas – Pyrophoric - Reissuance	\$338	\$156	(\$182)	-53.85%
AC91	Cryogen – Physical or Health Hazard - Issuance	\$338	\$156	(\$182)	-53.85%
AC91R	Cryogen – Physical or Health Hazard - Reissuance	\$306	\$138	(\$168)	-54.90%
AC92	Cryogen – Flammable Issuance	\$402	\$225	(\$177)	-44.03%
AC92R	Cryogen – Flammable Reissuance	\$338	\$156	(\$182)	-53.85%
AC94	Cryogen – Inert Issuance	\$338	\$156	(\$182)	-53.85%
AC94R	Cryogen – Inert Reissuance	\$306	\$138	(\$168)	-54.90%
AC95	Cryogen – Oxidizer Issuance	\$354	\$173	(\$181)	-51.13%
AC95R	Cryogen – Oxidizer Reissuance	\$322	\$138	(\$184)	-57.14%

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE

### SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)	\$ Change	% Change
AD1	Dry Cleaning Plants – Issuance - Delete	\$338	Delete	(\$338)	-100.00%
AD11	Dry Cleaning Plants - Package Issuance	\$338	\$156	(\$182)	-53.85%
AD11R	Dry Cleaning Plants – Package Reissuance	\$322	\$138	(\$184)	-57.14%
AD1R	Dry Cleaning Plants - Reissuance - Delete	\$322	Delete	(\$322)	-100.00%
AD2	Dust Producing Operations - Issuance	\$418	\$243	(\$175)	-41.87%
AD2R	Dust Producing Operations - Reissuance	\$354	\$173	(\$181)	-51.13%
AE1	Explosives/Blasting Agents/Fireworks/Rocketry – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AE2	Explosives – Model Rockets (Retailers and Use)/ Small Arms Ammunition (Retailers) – Issuance	\$418	\$243	(\$175)	-41.87%
AE2R	Explosives – Model Rockets (Retailers and Use)/ Small Arms Ammunition (Retailers) – Reissuance	\$354	\$173	(\$181)	-51.13%
AF1	Firework Stands	\$416	\$183	(\$171)	-48.31%
AF2	Outdoor Fireworks Display, such as July 4th displays	\$3,427	\$1,304	(\$2,123)	-61.95%
AF21	Outdoor Fireworks Display, such as home coming & barge display	\$657	\$536	(\$121)	-18.42%
AF22	Pyrotechnics/Special Effects Materials	\$1,041	\$921	(\$120)	-11.53%
AF31	Flammable Combustible Liquids – Issuance to use or operate a pipeline	Hourly Rate	Hourly Rate	N/A	N/A
AF31R	Flammable Combustible Liquids - Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AF32	Flammable Liquids – Issuance Class I liquids (5 gallons inside/10 gallons outside)	\$418	\$243	(\$175)	-41.87%
AF32R	Flammable Combustible Liquids – Reissuance	\$338	\$156	(\$182)	-53.85%
AF33	Combustible Liquids – Issuance. To store, use or handle Class II or IIIA liquids in excess of 25 gallons inside or 60 gallons outside.	\$418	\$243	(\$175)	-41.87%
AF33R	Combustible Liquids – Reissuance	\$338	\$156	(\$182)	-53.85%
AF34	Flammable Combustible Liquids – Issuance/Reissuance. Removal of liquid without approved pumps - Delete	Hourly Rate	Delete	N/A	N/A
AF35	Flammable Combustible Liquids – Issuance. To operate tank vehicles, equipment, tanks, plants, terminals, wells, etc.	\$418	\$243	(\$175)	-41.87%
AF35R	Flammable Combustible Liquids – Reissuance	\$338	\$156	(\$182)	-53.85%
AF36	Flammable Combustible Liquids – Issuance. Tank removal or installation (AST/UST)	\$338	\$243	(\$95)	-28.11%
AF361	Flammable Combustible Liquids – Each additional tank (AST/UST)	\$322	\$173	(\$149)	-46.27%
AF37	Flammable Combustible Liquids – Issuance. Change in content of tank to a more hazardous product - Delete	\$418	Delete	(\$418)	-100.00%
AF4	Fruit Ripening – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AF4R	Fruit Ripening – IReissuance	Hourly Rate	Hourly Rate	N/A	N/A
AH11	Hazardous Materials – Oxidizing Issuance	\$418	\$243	(\$175)	-41.87%
AH110	Hazardous Materials – Water Reactive Issuance	\$418	\$156	(\$262)	-62.68%
AH110R	Hazardous Materials – Water Reactive Reissuance	\$338	\$156	(\$182)	-53.85%
AH11R	Hazardous Materials – Oxidizing Reissuance	\$338	\$156	(\$182)	-53.85%
AH12	Hazardous Materials – Corrosive Issuance	\$418	\$243	(\$175)	-41.87%
AH12R	Hazardous Materials – Corrosive Reissuance	\$338	\$156	(\$182)	-53.85%
AH13	Hazardous Materials – Flammable Solids Issuance	\$418	\$243	(\$175)	-41.87%
AH13R	Hazardous Materials – Flammable Solids Reissuance	\$338	\$156	(\$182)	-53.85%
AH14	Hazardous Materials – Highly Toxic Issuance	\$466	\$236	(\$230)	-49.36%
AH14R	Hazardous Materials – Highly Toxic Reissuance	\$370	\$149	(\$221)	-59.73%
AH15	Hazardous Materials – Organic Peroxide Issuance	\$466	\$236	(\$230)	-49.36%
AH15R	Hazardous Materials – Organic Peroxide Reissuance	\$370	\$149	(\$221)	-59.73%
AH16	Hazardous Materials – Pyrophoric Issuance	\$466	\$236	(\$230)	-49.36%
AH16R	Hazardous Materials – Pyrophoric Reissuance	\$370	\$149	(\$221)	-59.73%
AH18	Hazardous Materials – Toxic Issuance	\$418	\$243	(\$175)	-41.87%
AH18R	Hazardous Materials – Toxic Reissuance	\$338	\$156	(\$182)	-53.85%

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE

### SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)	\$ Change	% Change
AH19	Hazardous Materials – Unstable Reactive Issuance	\$418	\$243	(\$175)	-41.87%
AH19R	Hazardous Materials – Unstable Reactive Reissuance	\$338	\$156	(\$182)	-53.85%
AH2	Hazardous Production Material Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AH2R	Hazardous Production Material Reissuance - Delete	Hourly Rate	Delete	N/A	N/A
AH3	High Piled Combustible - Issuance	\$578	\$416	(\$162)	-28.03%
AH3R	High Piled Combustible Reissuance	\$418	\$243	(\$175)	-41.87%
AL1	Liquefied Petroleum Gas – Issuance	\$402	\$149	(\$253)	-62.94%
AL1R	Liquefied Petroleum Gas - Reissuance	\$338	\$138	(\$200)	-59.17%
AL2	Liquid- or Gas-Fueled Vehicles or Equipment in Assembly Buildings – Issuance/Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AL3	Lumber Yards and Woodworking Plants – Issuance	\$513	\$347	(\$166)	-32.36%
AL3R	Lumber Yards and Woodworking Plants - Reissuance	\$322	\$243	(\$79)	-24.53%
AM1	Magnesium Working – Issuance/Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AM3	Motor Vehicle Fuel Dispensing – Issuance	\$338	\$156	(\$182)	-53.85%
AM31	Motor Vehicle Fuel Dispensing – Package Issuance	\$322	\$138	(\$184)	-57.14%
AM31R	Motor Vehicle Fuel Dispensing – Package Reissuance	\$322	\$138	(\$184)	-57.14%
AM3R	Motor Vehicle Fuel Dispensing - Reissuance	\$322	\$138	(\$184)	-57.14%
AO1	Open Burning – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AO2	Organic Coating – Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AO2R	Organic Coating – Reissuance - Delete	Hourly Rate	Delete	N/A	N/A
AO3	Industrial Ovens – Issuance	\$338	\$156	(\$182)	-53.85%
AO3R	Industrial Ovens - Reissuance	\$306	\$138	(\$168)	-54.90%
AP21 to AP22	Assembly, <300 occupants - Issuance	\$488	\$600	\$112	22.95%
AP21R to AP22R	Assembly, <300 occupants - Reissuance	\$353	\$429	\$76	21.53%
AP23 to AP25	Assembly, >300 occupants - Issuance	\$691	\$925	\$234	33.86%
AP23R to AP25R	Assembly, >300 occupants - Reissuance	\$421	\$514	\$93	22.09%
AP26	Exhibits and Trade Shows - Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AR2	Refrigeration Equipment – Issuance	\$514	\$347	(\$167)	-32.49%
AR2R	Refrigeration Equipment – Reissuance	\$370	\$190	(\$180)	-48.65%
AR3	Repair and Service Garage – Issuance	\$274	\$295	\$21	7.66%
AR31	Repair and Service Garage < 5000 sq ft – Package Issuance	\$226	\$277	\$51	22.57%
AR31R	Repair and Service Garage < 5000 sq ft – Package Reissuance	\$178	\$225	\$47	26.40%
AR3R	Repair and Service Garage – Reissuance	\$210	\$225	\$15	7.14%
AS1	Spraying or Dipping Operation – Issuance	\$562	\$399	(\$163)	-29.00%
AS1R	Spraying or Dipping Operation - Reissuance	\$370	\$138	(\$232)	-62.70%
AT1	Tent/Membrane Structure – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AT1.1	Canopy Structure – Issuance	Hourly Rate	Hourly Rate	N/A	N/A

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(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE

### SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)	\$ Change	% Change
AT2	Storage of Scrap Tires and Tire Byproducts – Issuance	Hourly Rate	Hourly Rate	N/A	N/A
AT2R	Storage of Scrap Tires and Tire Byproducts – Reissuance	Hourly Rate	Hourly Rate	N/A	N/A
AW1	Hot Work - Issuance.	\$657	\$190	(\$467)	-71.08%
AW11	Welding Carts Flammable gas up to 1000 cuft and Oxidizing gas up to 1500 cuft - Package Issuance	\$370	\$190	(\$180)	-48.65%
AW11R	Welding Carts Flammable gas up to 1000 cuft and Oxidizing gas up to 1500 cuft - Package Reissuance	\$322	\$138	(\$184)	-57.14%
AW1R	Hot Work - Reissuance.	\$466	\$138	(\$328)	-70.39%
AW2	Wood Product - Issuance - Delete	Hourly Rate	Delete	N/A	N/A
AW2R	Wood Product - Reissuance - Delete	Hourly Rate	Delete	N/A	N/A
J200	Reinspection – Flat rate for any inspection after the 1st.	Hourly Rate	Hourly Rate	N/A	N/A
J201	Penalty \$250 – Failure to comply with 1st orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$250	\$250	N/A	N/A
J202	Penalty \$500 – Failure to comply with 2nd orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$500	\$500	N/A	N/A
J203	Penalty \$1000 – Failure to comply with 3rd or more orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$1,000	\$1,000	\$0	0.00%
M100	Correctional or Detentional Facility – Large (i.e. full scale jails, prisons, and places of detention)	\$546	\$592	\$46	8.42%
M101	Correctional or Detentional Facility – Small (i.e. holding cells)	\$259	\$279	\$20	7.72%
M102	High Rise Facility > 55 Feet	\$1,120	\$1,133	\$13	1.16%
M121	Care Facility for more than 6 ambulatory & non-ambulatory clients	\$354	\$358	\$4	1.13%
M122	Care Facility for more than 6 non ambulatory clients as defined in the CBC - Delete	\$450	Delete	(\$450)	-100.00%
M123	Hospitals, Nursing homes, Mental hospitals, Detoxification and Surgery Centers	\$881	\$957	\$76	8.63%
M124	Commercial Care Facility (i.e. Child, Drug & Alcohol, Juvenile, & etc.)	\$211	\$227	\$16	7.58%
M125	Pre-Inspection Residential Care Facility (i.e. Single Family Residences)	Hourly Rate	\$240	N/A	N/A
M126	Pre-Inspection of Community care, residential care & child day care facilities serving 26 or more persons - Delete	Hourly Rate	Delete	N/A	N/A
M130	Miscellaneous Special Events – Events that may impact emergency operations equipment or access and may only require an over the counter submittal	\$115	\$48	(\$67)	-58.26%
M131	Minor Special Events – Events that may impact emergency operations equipment or access and have attendance or participation by less than 1500 persons.	\$158	\$174	\$16	10.13%
M132	Major Special Events – Events that impact emergency operations equipment or access or have attendance or participation by 1500 or more persons.	\$306	\$331	\$25	8.17%
M133	Special Event Expedite Fee for <10 days submittal	50%	50%	\$0	0.00%
M140	Fire Watch - Requested	Hourly Rate	Hourly Rate	N/A	N/A
M141	Standby – Engine Company – Board approved cost recovery rate	Hourly Rate	Hourly Rate	N/A	N/A
M148	Building Safety Inspection <10,000 sq ft facilities - Delete	\$96	Delete	(\$96)	-100.00%
M149	Building Safety Inspection >10,000 sq ft facilities - Delete	\$192	Delete	(\$192)	-100.00%
M150	Administrative Drive Time	\$67	\$70	\$3	4.48%
M151	Alternate Means & Methods	Hourly Rate	Hourly Rate	N/A	N/A
M152	All other time to be charged as Time and Materials	Hourly Rate	Hourly Rate	N/A	N/A

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE

### SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)	\$ Change	% Change
<b>False Alarm</b>					
0	False Alarm - 2nd within 6 months (Penalty fees are not included with the annual S&EB increase)	\$100	\$100	\$0	0.00%
0	Failure to comply with orders, tags or notices - 3rd false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$250	\$250	\$0	0.00%
0	Failure to comply with orders, tags or notices - 4th false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$500	\$500	\$0	0.00%
0	Failure to comply with orders, tags or notices - 5th and subsequent false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$1,000	\$1,000	\$0	0.00%

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

**ORANGE COUNTY FIRE AUTHORITY**  
**Schedule of Public Record Request Fees and Charges**

<b>SERVICES</b>	<b>AMOUNT</b>
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***DUPLICATION FEES****Duplication General:*

Copy Rate.....	\$0.10 per page
CD/DVD Disks .....	\$4.00 per disk
Microfilm Copies .....	\$0.15 per page
Photographs.....	actual cost

*Fair Political Practices Commission (FPPC) Filings (Fees per California Government Code § 81008):*

Filings/Statements .....	\$ 0.10 per page or current FPPC rate
Retrieval Fee .....	Not to exceed \$5.00 for copies/reports 5+ years old or current FPPC rate

*Report s/Maps:*

After Action Reports.....	actual cost/posted reports available on-line at no charge
Annual Financial Report.....	actual cost/current fiscal year available on-line at no charge
Budget .....	actual cost/current fiscal year available on-line at no charge
Property Related Records (Community Right to Know Reports).....	\$2.50 per address
Fire Incident/Fire Investigation/Paramedic Reports.....	\$7.50 per address/incident
Reports prepared by Consultants .....	actual cost
Geographic Information System (GIS)/Battalion/Division Maps.....	actual cost@

*Specialized Reports/Maps:*

Creation of special computer-generated reports/Maps .....	Actual cost per hour based on OCFA Cost Reimbursement Rates, minimum one hour@ \$52.00 per hour
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Requiring research of records, analysis, compilation .....	Actual cost per hour for the first hour, thereafter billed in ¼ hour increments + \$0.10 per page@
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911 Audio Recording .....	\$25 per incident
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*Subscriptions(Via US Mail):*

Minutes.....	\$35.00 per year/per body
Agendas.....	\$35.00 per year/per body
Agenda Packet.....	\$25.00 per packet plus postage, if applicable

*Note: All agenda items are available on-line at no charge*

**MISCELLANEOUS SERVICES FEES**

Certification .....	\$2.00 per document
Delivery Service.....	actual cost
Email Server Search.....	actual cost@ \$69.00 per hour/ 2 hour minimum
Fax Transmissions .....	\$0.10 per page/paid prior to transmission in-lieu of duplication fee
Notary Fees (per CA Government Code § 8211 and 8223) .....	\$10.00 per signature or current rate
Postage .....	current US Postage Rates
Record Retrieval – Offsite Storage .....	\$20 per box (actual cost)

**SUBPOENA FEES** (per California Government Code §68096.1 & 68097.2)

Subpoena for Records .....	\$15.00 deposit applied toward actual costs or current State rate
Subpoena for Witness ..	\$275.00 deposit applied toward actual witness expenses or current State rate

**WAIVER OF FEES**

The above fees may be waived at the discretion of the Section Manager concerned when it is clear that the general public and/or OCFA will benefit by providing the service at no cost.

- (a) Examples of the types of service for which the above fees may be waived are as follows:
  - (1) Requests from City Officials, Board Members, etc. for business purposes
  - (2) Requests from individuals or firms directly concerned with pending actions of the Board of Directors or Executive Committee, which require their attendance at a Public Hearing or when legal notice is required.
  - (3) Requests from other Public agencies, including law enforcement agencies and the District Attorney, in cases of cooperative exchange of information.
- (b) Decisions on questionable items shall be made by the Fire Chief or designee.

**LATE FEES**

A 10% late fee may be assessed on past due accounts if payment is not received by the original due date. Late fee assessments applicable to this policy include, but are not limited to

- Ambulance
- Fire Prevention
- Special Activities
- And any other OCFA miscellaneous billings



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June 27, 2014

Mr. Jim Ruane, Finance Manager/Auditor  
Orange County Fire Authority  
1 Fire Authority Road  
Irvine, CA 92602

Jim,

Per our contract with the Orange County Fire Authority to review the Authority's fee costing process and the resulting proposed fees, I have completed the following steps:

- Reviewed the costing methodology and model.
- Reviewed the overhead calculations.
- Reviewed the time detail and resulting costs for every proposed fee service. This step in the process included meeting or talking with various staff members who were involved in the process, and more importantly, who actually perform the work that we are studying. For those services that I had specific questions, we identified the steps involved so that I could better understand what was included in the time allocations. We also met with the staff from each section as a whole to answer any questions about the process.
- Reviewed a sample of proposed fees which have significant increases or decreases for reasonableness.
- Reviewed a sample of businesses which are impacted by proposed fee changes.

During the above review process, staff discussed how the time allocations were calculated. It involved a look backward at historical data, but also took into account the feedback from the people actually doing the work to come up with these time allocations. I feel comfortable that the resulting time allocations, cost details, and fee recommendations are reasonable reflections of what is involved in providing these services to the Authority's customers and do not exceed the costs reasonably borne as defined in Article XIII B of the State Constitution.

We also met with the entire staff in each section to answer questions about the process and how the time and cost information was applied. There was a good discussion not only about this process, but also how the results would be applied in the field and at the counter.

Some services had changes in the fees that reflect changes in the sectional administrative costs for each section. Also, the Safety & Environmental Services section discontinued the Building

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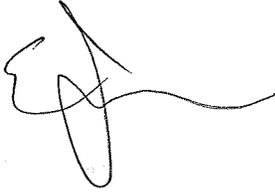
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Fax 714.992.9021

Safety Inspection fee which, since it was applied on top of many other fees, was responsible for most S&ES fees decreasing.

I would like to thank staff for their help in this review.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Eric Johnson', with a long horizontal flourish extending to the right.

Eric Johnson  
Vice President

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE PLANNING AND DEVELOPMENT SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)
PR100	California Environmental Quality Act (CEQA), Environmental Impact Report (EIR), Notice of Preparation (NOP), and Advance Planning	\$471	\$400
PR105	Conditional use, site development, and coastal development permit	\$471	\$400
PR110	Map review (A map) -- tentative tract map/screen check	\$561	\$480
PR115	Final map review (B Map) and/or clearance letter for print of linen	\$404	\$340
PR120	Conceptual fuel modification (inspection not included)	\$910	\$868
PR124	Precise fuel modification (includes vegetation clearance inspection for lumber drop, final, and HOA turnover inspections)	\$1,283	\$1,142
PR124i	Precise fuel modification – INSP ONLY	\$539	\$498
PR127i	Fuel Modification Maintenance Inspection -Customer requested or complaint initiated for Tract Development	\$868	\$774
PR140	Infrastructure plan – multiple tracts – review of street standards, road lengths, and vehicle entry points, cul-de-sac design, etc. for multi-tract developments	\$1,130	\$978
PR145	Fire master plan – Emergency access and fire hydrant location, fire lane markings, or vehicle gates across emergency access drives	\$1,029	\$849
PR145i	Fire master plan – Emergency access and fire hydrant location, fire lane markings, or vehicle gates - INSP ONLY	\$362	\$315
PR146	Fire protection plan – an alternative to CBC Chapter 7A construction requirements for development in a fire hazard severity zone. Must be used in conjunction with PR910 - Alternate method and materials request	Exempt	Exempt
PR150	Fire master plan – public school	Exempt	Exempt
PR155	Temporary fire master plan - proposed emergency access these roads will not remain once the project is complete.	\$783	\$845
PR155i	Temporary fire master plan - proposed emergency access these roads will not remain once the project is complete. INSP	\$305	\$265
PR160	Residential site review for single family dwelling consisting of one or two units	\$580	\$650
PR160i	Residential site review for single family dwelling – INSP ONLY	\$134	\$116
PR170	Methane work plan	\$292	\$240
PR172	Methane findings & recommendations (Currently included with the Methane work plan)	\$336	\$280
PR174	Methane mitigation plan	\$426	\$360
PR176	Methane final letter (Currently included with the Methane mitigation plan)	\$269	\$220
PR180	Vehicle or pedestrian gates across emergency access roads	\$527	\$446
PR180i	Vehicle or pedestrian gates across emergency access roads- INSP ONLY	\$191	\$166
PR182	Unenclosed accessory structure/outdoor fire place/fire pit in special fire areas. Inspection not required	Exempt	Exempt
PR184	Speed hump review and drive test	\$834	\$719
PR186	Operations pre-planning automation. Fee waived if criteria on handout are satisfied	\$789	\$684
PR192	Addressing Layout Developments - Commercial/Residential	Hourly Rate	Hourly Rate
PR200	All A Occupancy > 10,000 square feet aggregate	\$1,942	\$1,697
PR200i	All A Occupancy > 10,000 square feet aggregate INSP ONLY	\$687	\$597
PR204	All A Occupancy ≤ 10,000 square feet aggregate area)	\$1,428	\$1,241
PR204i	All A Occupancy ≤ 10,000 square feet aggregate area) INSP ONLY	\$553	\$481
PR208	All A ≤ 1500 square feet	\$1,252	\$1,084
PR208i	All A ≤ 1500 sq. ft. INSP ONLY	\$534	\$464
PR212	Educational other than day care	\$1,061	\$918
PR212i	Educational other than day care - INSP ONLY	\$343	\$298
PR216	Day Care E or I-4 (Portable or re-locatable < 1000 sq. ft.) aggregate	\$847	\$729
PR216i	Day Care E or I-4 (Portable or re-locatable < 1000 sq. ft.) INSP ONLY	\$286	\$249
PR220	E Day Care or I-4, E3 Daycare (see PR212 for any combination of E occupancies sharing common egress)	\$1,378	\$1,202
PR220i	E Day Care or I-4 - INSP ONLY	\$324	\$282
PR224	F: ≤10,000 sq. ft. (also used for B,M,S occupancies when required by Permit Screening Form or Building Official)	\$1,228	\$1,030
PR224i	F ≤ 10,000 sq. ft. - INSP ONLY	\$439	\$381
PR228	F: >10,000 sq. ft. (also used for B,M,S occupancies when required by Permit Screening Form or Building Official)	\$1,866	\$1,593

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE PLANNING AND DEVELOPMENT SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)
PR228i	F: >10,000 sq. ft. - INSP ONLY	\$687	\$597
PR232	H1, H2, H3, H4 or L Occupancy - Chemical classification fee (PR320-PR328) also required	\$2,231	\$1,953
PR232i	H1, H2, H3, H4, or L Occupancy Chemical classification fee (PR320-PR328) INSP ONLY	\$706	\$613
PR236	S1 - Motor Vehicle Repair Garages (Chem class fee included for above ground hazardous materials)	\$1,325	\$1,147
PR236i	S1 - Motor Vehicle Repair Garages INSP ONLY	\$629	\$547
PR240	S1 -Aircraft Repair Hanger (Chem class fee, (PR320-PR328) also required)	\$1,656	\$1,448
PR240i	S1 -Aircraft Repair Hanger INSP ONLY	\$401	\$348
PR244	H5 Occupancy (Chem class fee (PR320-PR328), also required)	Hourly Rate	Hourly Rate
PR244i	H5 Occupancy INSP ONLY	Hourly Rate	Hourly Rate
PR248	Structures with non-ambulatory or incapacitated occupants (I-1, I-2, I-2.1, R-2.1 occupancies)	Hourly Rate	Hourly Rate
PR248i	Structures with non-ambulatory or incapacitated occupants. (I-1, I-2, I-2.1, R-2.1 occupancies) INSP ONLY	Hourly Rate	Hourly Rate
PR256	I3: Structures with restrained occupants, 3 cells or less	\$677	\$579
PR256i	I3: Structures with restrained occupants, 3 cells or less - INSP ONLY	\$229	\$199
PR260	I3: Structures with restrained occupants, more than 3 cells	\$2,960	\$2,603
PR260i	I3: Structures with restrained occupants, more than 3 cells INSP ONLY	\$763	\$663
PR264	R1 or R2 Hotels, motels, apartments, condominiums with ≤ 50 dwelling units per building	\$835	\$725
PR268	R1 or R2 Hotels, motels, apartments, condominiums with 51 to 150 dwelling units per building.	\$1,895	\$1,657
PR272	R1 or R2 Hotels, motels, apartments, condominiums with > 150 dwelling units per building.	Hourly Rate	Hourly Rate
PR276	R4 licensed residential care/ assisted living facilities and similar uses serving 7-19 clients. Facilities serving 6 or less clients, submit only to S&ES.	\$1,377	\$1,198
PR276i	R4 licensed residential care/ assisted living facilities and similar uses serving 7-19 clients. INSP ONLY	\$458	\$398
PR280	R4 licensed residential care/ assisted living facilities and similar uses serving ≥ 20 clients.	\$2,348	\$2,056
PR280i	R4 licensed residential care/ assisted living facilities and similar uses serving ≥ 20 clients. INSP ONLY	\$801	\$696
PR285	Hi-Rise: Structures that are 55 ft or higher measured from lowest point of fire department access	\$6,420	\$5,661
PR285i	High-rise: Structures that are 55' or higher in height - INSP ONLY	\$2,003	\$1,740
PR300	Above-ground storage tank, including equipment (see PR625 for temporary above-ground storage tanks)	\$1,053	\$908
PR300i	Above-ground storage tank, including equipment -INSP ONLY	\$515	\$447
PR305	Dispensing from underground storage tank: New installation (Single fee for all tanks at a single location) (Aboveground safety/components only)	\$837	\$718
PR305i	Dispensing from underground storage tank: New Installation, INSP ONLY (Aboveground safety/components only)	\$343	\$298
PR310	Dispensing from Underground storage tank: Repair, alteration, abandonment (Aboveground safety/components only)	\$555	\$469
PR315	Hazardous Material Process/Storage for Non - H Occupancies. Use with PR320-PR328. Also for outdoor LPG exchange stations; separate chemical classification review not required.	\$1,027	\$884
PR315i	Hazardous Material Process/Storage for Non - H Occupancies – INSP ONLY	\$534	\$464
PR320	Chemical Classification Review. Category I: 1-15 chemicals	\$841	\$657
PR322	Chemical Classification Review. Category II: 16-50 chemicals	\$1,523	\$1,019
PR324	Chemical Classification Review. Category III: 51-100 chemicals	\$1,754	\$1,188
PR326	Chemical Classification Review. Category IV: > 100 chemicals	\$2,325	\$1,577
PR328	Chemical Classification Review. Unusual chemicals/quantities as determined by the Hazardous Material Section	Hourly Rate	Hourly Rate
PR330	High-piled storage: code/commodity compliance	\$1,433	\$1,244
PR330i	High-piled storage - INSP ONLY	\$648	\$563
PR335	Commercial cooking hood and duct system (per system)	\$501	\$419
PR335i	Commercial cooking hood and duct system (per system) - INSP ONLY	\$210	\$182
PR340	Refrigeration unit and system: having a refrigerant circuit containing more than 220 pounds of Group A1 or 30 pounds of any other refrigerant	\$1,514	\$1,142
PR340i	Refrigeration unit and system – INSP ONLY	\$689	\$566
PR345	Spray booth, spraying area: mechanically ventilated appliance provided to enclose or accommodate a spraying operation (Spraying room see H2)	\$1,175	\$1,018
PR345i	Spray booth, spraying area - INSP ONLY	\$458	\$398

(b) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE PLANNING AND DEVELOPMENT SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)
PR350	Gas systems: medical gas, industrial gas (including piping and manifolds)	\$1,363	\$1,180
PR350i	Gas systems: medical gas, industrial gas – INSP ONLY	\$668	\$580
PR355	Dry Cleaning (cleaning solution) - Quantity must exceeds 330 or 660 gals)	\$837	\$718
PR360	Special equipment: industrial ovens, vapor recovery, dust collection	\$821	\$637
PR360i	Special equipment: industrial ovens, vapor recovery, dust collection - INSP ONLY	\$629	\$547
PR362	Photovoltaic System - Residential	\$0	\$249
PR362i	Photovoltaic System - Residential INSP ONLY	\$0	\$99
PR363	Photovoltaic System - Commercial (Requested by Building Official)	Exempt	Exempt
PR363i	Photovoltaic System - Commercial (Requested by Building Official) - INSP ONLY	Exempt	Exempt
PR365	Special extinguishing system: dry chemical, CO2, FM 200, foam liquid systems, inert gas (Halon, Inergen, etc.)	\$505	\$426
PR365i	Special extinguishing system – INSP ONLY	\$191	\$166
PR375	Battery Systems, stationary storage and cell sites (chemical quantities require application of CFC Art 64 or 2007 IFC Section 608)	\$996	\$858
PR375i	Battery systems INSP ONLY	\$458	\$398
PR380	Smoke control systems; review of rational analysis	\$1,352	\$1,187
PR382	Smoke control systems: design/testing – inc. 1 submittal meeting w/customer	\$5,326	\$4,686
PR382i	Smoke control systems: design/testing INSP ONLY	\$1,945	\$1,690
PR400	NFPA 13D fire sprinkler system: One or two family dwelling - custom home (single lot)	\$648	\$638
PR400i	NFPA 13D fire sprinkler system: One or two family dwelling - custom home (single lot) - INSP ONLY	\$158	\$239
PR401	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot)	Exempt	\$569
PR401i	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot) - INSP ONLY	Exempt	\$272
PR402	TI to NFPA 13D fire sprinkler system: ≤ 25 heads without calculations	Exempt	\$382
PR402i	TI to NFPA 13D fire sprinkler system: ≤ 25 heads without calculations - INSP ONLY	Exempt	\$222
PR405	NFPA 13D fire sprinkler system: One or two family dwelling - within new tract developments	\$545	\$472
PR405i	NFPA 13D fire sprinkler system: One or two family dwelling - INSP ONLY	\$215	\$272
PR406	NFPA 13D Multi-purpose fire sprinkler system (tract, custom or existing home) (FOR INTERNAL TRACKING PURPOSE)	\$0	\$0
PR406i	NFPA 13D Multi-purpose fire sprinkler system (tract, custom or existing home) – INSP ONLY (FOR INTERNAL TRACKING PURPOSE)	\$0	\$0
PR401	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot)	\$1,096	\$941
PR401i	NFPA 13D fire sprinkler system: One or two family dwelling - existing home (single lot) - INSP ONLY	\$445	\$388
PR415	NFPA 13R fire sprinkler system >16 units	\$1,219	\$1,054
PR415i	NFPA 13R fire sprinkler system >16 units INSP ONLY	\$636	\$554
PR420	New NFPA 13 fire sprinkler system: ≤ 100 heads with 1 riser	\$971	\$832
PR420i	New NFPA 13 fire sprinkler system: ≤ 100 heads with 1 riser – INSP ONLY	\$388	\$338
PR425	New NFPA 13 fire sprinkler system:>100 fire sprinkler heads w/1 riser	\$1,175	\$1,011
PR425i	New NFPA 13 fire sprinkler system: each additional riser OR per floor in buildings >3 stories. - INSP ONLY	\$484	\$421
PR430	TI to NFPA 13, 13R fire sprinkler system: ≤ 25 heads without calculations	\$396	\$329
PR430i	TI to NFPA 13, 13R fire sprinkler system: ≤ 25 heads without calculations - INSP ONLY	\$217	\$189
PR435	TI to NFPA 13, 13R fire sprinkler system: 26 - 99 heads without calculations	\$683	\$578
PR435i	TI to NFPA 13, 13R fire sprinkler system: 26 - 99 heads without calculations - INSP ONLY	\$369	\$322
PR440	TI to NFPA 13, 13R fire sprinkler system: ≥ 100 heads OR other TIs requiring calculation review	\$984	\$841
PR440i	TI to NFPA 13, 13R fire sprinkler system: ≥ 100 heads OR other TIs requiring calculation review - INSP	\$445	\$388
PR445	Pre-action fire sprinkler system: Includes the fire alarm system when submitted together	\$932	\$801
PR445i	Pre-action fire sprinkler system: INSP ONLY	\$484	\$421
PR450	New or TI to NFPA 13 in-rack fire sprinkler systems	\$1,087	\$932
PR450i	New or TI to NFPA 13 in-rack sprinkler fire sprinkler systems - INSP ONLY	\$369	\$322
PR455	NFPA 13 small hose stations	\$527	\$446
PR455i	NFPA 13 small hose stations – INSP ONLY	\$236	\$206
PR460	NFPA 14 Class I, II or III standpipes (includes all standpipes within a single building)	\$1,200	\$1,030
PR460i	NFPA 14 standpipes INSP ONLY	\$617	\$537
PR465	Fire pump installation	\$1,163	\$1,008

(b) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE PLANNING AND DEVELOPMENT SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a)
PR465i	Fire pump installation - INSP ONLY	\$401	\$348
PR470	Underground fire protection system: single hydrant OR single riser connection	\$939	\$746
PR470i	Underground fire protection system: single hydrant or riser. INSP ONLY	\$515	\$447
PR475	Underground fire protection: ≤ 4 additional connections for hydrants or risers - use with PR470	\$889	\$757
PR475i	Underground fire protection system: use with PR475 - INSP ONLY	\$553	\$481
PR480	Underground repair	\$583	\$491
PR480i	Underground repair – INSP ONLY	\$381	\$331
PR500	Fire sprinkler monitoring system (Unlimited water flow & tamper switches), & Fire alarm system with ≤ 10 devices.	\$415	\$342
PR500i	Fire sprinkler monitoring system – INSP ONLY	\$191	\$166
PR510	Fire alarm system: 11-20 initiating devices and/or ≤ 40 notification devices	\$694	\$590
PR510i	Fire alarm system: 11-20 initiating devices and/or ≤ 40 notification devices, INSP ONLY	\$248	\$215
PR520	Fire alarm system: >20 initiating and/or >40 notification devices	\$1,178	\$1,047
PR520i	Fire alarm system: >20 initiating and/or >40 notification devices, INSP ONLY	\$420	\$365
PR610	Field review/inspection – Underground repair	\$467	\$404
PR615	Field Plan Review / Inspection Private CNG refueling appliance within a single family residence. (no permit required)	Exempt	Exempt
PR625	Field Review/ Inspection -Temporary above-ground storage tanks, including equipment	\$276	\$239
PR630	Field review/inspection TI to NFPA 13, 13R sprinkler systems: ≤ 25 heads without calculations	\$352	\$305
PR635	Field review/inspection TI to NFPA 13, 13R sprinkler systems: 26-99 heads without calculations	\$390	\$338
PR900	Coordination/Pre-submittal Meetings: (Initial 2 hours)	\$566	\$504
PR905	Written response to inquiry	\$565	\$534
PR910	Alternate Method and Material Request	\$1,026	\$747
PR920	Plan resubmittal: fee charged on 3rd and each subsequent submittal	Hourly Rate	Hourly Rate
PR922	Plan revision	Hourly Rate	Hourly Rate
PR924	Re-stamp of plans with wet stamp when submitted with approved plans	Hourly Rate	Hourly Rate
PR926	Accelerated plan review (fee is in addition to base fee assessed for plan review)	Hourly Rate	Hourly Rate
PR928	Plan Review time and materials fee: Charged for miscellaneous applications such as unusual time intensive projects, research, travel time, etc.	Hourly Rate	Hourly Rate
PR938i	13D Reinspection 1-10	\$0	\$146
PR939i	13D Reinspection 11+	\$0	\$195
PR940i	Inspection time and materials fee: Charged for miscellaneous applications such as Time Intensive projects, research, travel time, etc.	Hourly Rate	Hourly Rate
PR942i	Re-inspection fee: Charged when project is not completed or cannot be approved during regular inspection	\$226	\$195
PR943	Penalty for Failure to Cancel Scheduled Inspection	\$0	50%
PR944i	Special inspection request: after-hours, weekend, or overtime inspections	Hourly Rate	Hourly Rate

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE SAFETY AND ENVIRONMENTAL SERVICES Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)
AA1	Aerosol – Issuance	\$402	\$225
AA1R	Aerosol - Reissuance	\$322	\$138
AA2	Aircraft Refueling – Issuance	\$417	\$451
AA2R	Aircraft Refueling – Reissuance	\$274	\$295
AA3	Aviation Facility – Issuance	Hourly Rate	Hourly Rate
AA3R	Aviation Facility – Reissuance	Hourly Rate	Hourly Rate
AA4	Asbestos Removal - Issuance - Delete	Hourly Rate	Delete
AA5	Waste Handling – Issuance	Hourly Rate	Hourly Rate
AA5R	Waste Handling – Reissuance	Hourly Rate	Hourly Rate
AA6	Amusement Building – Issuance	Hourly Rate	Hourly Rate
AA6R	Amusement Building – Reissuance	Hourly Rate	Hourly Rate
AB1	Battery System – Issuance, not an annual permit, one time charge - Delete	Hourly Rate	Delete
AB2	Floor Finishing – Issuance/Reissuance - Delete	Hourly Rate	Delete
AC1	Candles/Open flame – Issuance	\$338	\$156
AC1R	Candles/Open flame – Reissuance	\$322	\$138
AC2	Carnival or Fair – Issuance	Hourly Rate	Hourly Rate
AC5	Combustible Fiber Storage – Issuance - Delete	Hourly Rate	Delete
AC5R	Combustible Fiber Storage – Reissuance - Delete	Hourly Rate	Delete
AC6	Combustible Material Storage – Issuance	Hourly Rate	Hourly Rate
AC6R	Combustible Material Storage – Reissuance	Hourly Rate	Hourly Rate
AC71	Compressed Gas – Corrosive Issuance	\$418	\$243
AC71R	Compressed Gas – Corrosive Reissuance	\$338	\$156
AC710	Compressed Gas-Toxic - Issuance	\$418	\$243
AC710R	Compressed Gas-Toxic - Reissuance	\$338	\$156
AC72	Compressed Gas – Flammable Gas Issuance	\$418	\$243
AC72R	Compressed Gas – Flammable Gas Reissuance	\$338	\$156
AC73	Compressed Gas-Highly Toxic - Issuance	\$418	\$243
AC73R	Compressed Gas-Highly Toxic - Reissuance	\$338	\$156
AC74	Compressed Gas – Inert Gas Issuance	\$370	\$190
AC74R	Compressed Gas – Inert Gas Reissuance	\$322	\$138
AC76	Compressed Gas-Oxidizer - Issuance	\$418	\$243
AC76R	Compressed Gas-Oxidizer - Reissuance	\$338	\$156
AC77	Compressed Gas – Pyrophoric - Issuance	\$402	\$225
AC77R	Compressed Gas – Pyrophoric - Reissuance	\$338	\$156
AC91	Cryogenics – Physical or Health Hazard - Issuance	\$338	\$156

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE SAFETY AND ENVIRONMENTAL SERVICES Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)
AC91R	Cryogenics – Physical or Health Hazard - Reissuance	\$306	\$138
AC92	Cryogen – Flammable Issuance	\$402	\$225
AC92R	Cryogen – Flammable Reissuance	\$338	\$156
AC94	Cryogen – Inert Issuance	\$338	\$156
AC94R	Cryogen – Inert Reissuance	\$306	\$138
AC95	Cryogen – Oxidizer Issuance	\$354	\$173
AC95R	Cryogen – Oxidizer Reissuance	\$322	\$138
AD1	Dry Cleaning Plants – Issuance - Delete	\$338	Delete
AD11	Dry Cleaning Plants - Package Issuance	\$338	\$156
AD11R	Dry Cleaning Plants – Package Reissuance	\$322	\$138
AD1R	Dry Cleaning Plants - Reissuance - Delete	\$322	Delete
AD2	Dust Producing Operations - Issuance	\$418	\$243
AD2R	Dust Producing Operations - Reissuance	\$354	\$173
AE1	Explosives/Blasting Agents/Fireworks/Rocketry – Issuance	Hourly Rate	Hourly Rate
AE2	Explosives – Model Rockets (Retailers and Use)/ Small Arms Ammunition (Retailers) – Issuance	\$418	\$243
AE2R	Explosives – Model Rockets (Retailers and Use)/ Small Arms Ammunition (Retailers) – Reissuance	\$354	\$173
AF1	Firework Stands	\$416	\$183
AF2	Outdoor Fireworks Display, such as July 4th displays	\$3,427	\$1,304
AF21	Outdoor Fireworks Display, such as home coming & barge display	\$657	\$536
AF22	Pyrotechnics/Special Effects Materials	\$1,041	\$921
AF31	Flammable Combustible Liquids – Issuance to use or operate a pipeline	Hourly Rate	Hourly Rate
AF31R	Flammable Combustible Liquids - Reissuance	Hourly Rate	Hourly Rate
AF32	Flammable Liquids – Issuance Class I liquids (5 gallons inside/10 gallons outside)	\$418	\$243
AF32R	Flammable Combustible Liquids – Reissuance	\$338	\$156
AF33	Combustible Liquids – Issuance. To store, use or handle Class II or IIIA liquids in excess of 25 gallons inside or 60 gallons outside.	\$418	\$243
AF33R	Combustible Liquids – Reissuance	\$338	\$156
AF34	Flammable Combustible Liquids – Issuance/Reissuance. Removal of liquid without approved pumps - Delete	Hourly Rate	Delete
AF35	Flammable Combustible Liquids – Issuance. To operate tank vehicles, equipment, tanks, plants, terminals, wells, etc.	\$418	\$243
AF35R	Flammable Combustible Liquids – Reissuance	\$338	\$156
AF36	Flammable Combustible Liquids – Issuance. Tank removal or installation (AST/UST)	\$338	\$243
AF361	Flammable Combustible Liquids – Each additional tank (AST/UST)	\$322	\$173
AF37	Flammable Combustible Liquids – Issuance. Change in content of tank to a more hazardous product - Delete	\$418	Delete
AF4	Fruit Ripening – Issuance	Hourly Rate	Hourly Rate
AF4R	Fruit Ripening – Reissuance	Hourly Rate	Hourly Rate
AH11	Hazardous Materials – Oxidizing Issuance	\$418	\$243
AH110	Hazardous Materials – Water Reactive Issuance	\$418	\$156

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)
AH110R	Hazardous Materials – Water Reactive Reissuance	\$338	\$156
AH11R	Hazardous Materials – Oxidizing Reissuance	\$338	\$156
AH12	Hazardous Materials – Corrosive Issuance	\$418	\$243
AH12R	Hazardous Materials – Corrosive Reissuance	\$338	\$156
AH13	Hazardous Materials – Flammable Solids Issuance	\$418	\$243
AH13R	Hazardous Materials – Flammable Solids Reissuance	\$338	\$156
AH14	Hazardous Materials – Highly Toxic Issuance	\$466	\$236
AH14R	Hazardous Materials – Highly Toxic Reissuance	\$370	\$149
AH15	Hazardous Materials – Organic Peroxide Issuance	\$466	\$236
AH15R	Hazardous Materials – Organic Peroxide Reissuance	\$370	\$149
AH16	Hazardous Materials – Pyrophoric Issuance	\$466	\$236
AH16R	Hazardous Materials – Pyrophoric Reissuance	\$370	\$149
AH18	Hazardous Materials – Toxic Issuance	\$418	\$243
AH18R	Hazardous Materials – Toxic Reissuance	\$338	\$156
AH19	Hazardous Materials – Unstable Reactive Issuance	\$418	\$243
AH19R	Hazardous Materials – Unstable Reactive Reissuance	\$338	\$156
AH2	Hazardous Production Material Issuance - Delete	Hourly Rate	Delete
AH2R	Hazardous Production Material Reissuance - Delete	Hourly Rate	Delete
AH3	High Piled Combustible - Issuance	\$578	\$416
AH3R	High Piled Combustible Reissuance	\$418	\$243
AL1	Liquefied Petroleum Gas – Issuance	\$402	\$149
AL1R	Liquefied Petroleum Gas - Reissuance	\$338	\$138
AL2	Liquid- or Gas-Fueled Vehicles or Equipment in Assembly Buildings – Issuance/Reissuance	Hourly Rate	Hourly Rate
AL3	Lumber Yards and Woodworking Plants – Issuance	\$513	\$347
AL3R	Lumber Yards and Woodworking Plants - Reissuance	\$322	\$243
AM1	Magnesium Working – Issuance/Reissuance	Hourly Rate	Hourly Rate
AM3	Motor Vehicle Fuel Dispensing – Issuance	\$338	\$156
AM31	Motor Vehicle Fuel Dispensing – Package Issuance	\$322	\$138
AM31R	Motor Vehicle Fuel Dispensing – Package Reissuance	\$322	\$138
AM3R	Motor Vehicle Fuel Dispensing - Reissuance	\$322	\$138
AO1	Open Burning – Issuance	Hourly Rate	Hourly Rate
AO2	Organic Coating – Issuance - Delete	Hourly Rate	Delete
AO2R	Organic Coating – Reissuance - Delete	Hourly Rate	Delete
AO3	Industrial Ovens – Issuance	\$338	\$156
AO3R	Industrial Ovens - Reissuance	\$306	\$138
AP21 to AP22	Assembly, <300 occupants - Issuance	\$488	\$600

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)
AP21R to AP22R	Assembly, <300 occupants - Reissuance	\$353	\$429
AP23 to AP25	Assembly, >300 occupants - Issuance	\$691	\$925
AP23R to AP25R	Assembly, >300 occupants - Reissuance	\$421	\$514
AP26	Exhibits and Trade Shows - Issuance - Delete	Hourly Rate	Delete
AR2	Refrigeration Equipment – Issuance	\$514	\$347
AR2R	Refrigeration Equipment – Reissuance	\$370	\$190
AR3	Repair and Service Garage – Issuance	\$274	\$295
AR31	Repair and Service Garage < 5000 sq ft – Package Issuance	\$226	\$277
AR31R	Repair and Service Garage < 5000 sq ft – Package Reissuance	\$178	\$225
AR3R	Repair and Service Garage – Reissuance	\$210	\$225
AS1	Spraying or Dipping Operation – Issuance	\$562	\$399
AS1R	Spraying or Dipping Operation - Reissuance	\$370	\$138
AT1	Tent/Membrane Structure – Issuance	Hourly Rate	Hourly Rate
AT1.1	Canopy Structure – Issuance	Hourly Rate	Hourly Rate
AT2	Storage of Scrap Tires and Tire Byproducts – Issuance	Hourly Rate	Hourly Rate
AT2R	Storage of Scrap Tires and Tire Byproducts – Reissuance	Hourly Rate	Hourly Rate
AW1	Hot Work - Issuance.	\$657	\$190
AW11	Welding Carts Flammable gas up to 1000 cuft and Oxidizing gas up to 1500 cuft - Package Issuance	\$370	\$190
AW11R	Welding Carts Flammable gas up to 1000 cuft and Oxidizing gas up to 1500 cuft - Package Reissuance	\$322	\$138
AW1R	Hot Work - Reissuance.	\$466	\$138
AW2	Wood Product - Issuance - Delete	Hourly Rate	Delete
AW2R	Wood Product - Reissuance - Delete	Hourly Rate	Delete
J200	Reinspection – Flat rate for any inspection after the 1st.	Hourly Rate	Hourly Rate
J201	Penalty \$250 – Failure to comply with 1st orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$250	\$250
J202	Penalty \$500 – Failure to comply with 2nd orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$500	\$500
J203	Penalty \$1000 – Failure to comply with 3rd or more orders, tags or notices (Applies to all S&ES, HMS, & CalARP fees)	\$1,000	\$1,000
M100	Correctional or Detentional Facility – Large (i.e. full scale jails, prisons, and places of detention)	\$546	\$592
M101	Correctional or Detentional Facility – Small (i.e. holding cells)	\$259	\$279
M102	High Rise Facility > 55 Feet	\$1,120	\$1,133
M121	Care Facility for more than 6 ambulatory & non-ambulatory clients	\$354	\$358

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee

# ORANGE COUNTY FIRE AUTHORITY

## PROPOSED FEE SCHEDULE SAFETY AND ENVIRONMENTAL SERVICES

Effective Date - no later than September 29, 2014

Fee Code	Service Name	2012-13 Adopted Fee	2014-15 Proposed Fee (a) (b)
M122	Care Facility for more than 6 non ambulatory clients as defined in the CBC - Delete	\$450	Delete
M123	Hospitals, Nursing homes, Mental hospitals, Detoxification and Surgery Centers	\$881	\$957
M124	Commercial Care Facility (i.e. Child, Drug & Alcohol, Juvenile, & etc.)	\$211	\$227
M125	Pre-Inspection Residential Care Facility (i.e. Single Family Residences)	Hourly Rate	\$240
M126	Pre-Inspection of Community care, residential care & child day care facilities serving 26 or more persons - Delete	Hourly Rate	Delete
M130	Miscellaneous Special Events – Events that may impact emergency operations equipment or access and may only require an over the counter submittal	\$115	\$48
M131	Minor Special Events – Events that may impact emergency operations equipment or access and have attendance or participation by less than 1500 persons.	\$158	\$174
M132	Major Special Events – Events that impact emergency operations equipment or access or have attendance or participation by 1500 or more persons.	\$306	\$331
M133	Special Event Expedite Fee for <10 days submittal	50%	50%
M140	Fire Watch - Requested	Hourly Rate	Hourly Rate
M141	Standby – Engine Company – Board approved cost recovery rate	Hourly Rate	Hourly Rate
M148	Building Safety Inspection <10,000 sq ft facilities - Delete	\$96	Delete
M149	Building Safety Inspection >10,000 sq ft facilities - Delete	\$192	Delete
M150	Administrative Drive Time	\$67	\$70
M151	Alternate Means & Methods	Hourly Rate	Hourly Rate
M152	All other time to be charged as Time and Materials	Hourly Rate	Hourly Rate
<b>False Alarm</b>			
0	False Alarm - 2nd within 6 months (Penalty fees are not included with the annual S&EB increase)	\$100	\$100
0	Failure to comply with orders, tags or notices - 3rd false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$250	\$250
0	Failure to comply with orders, tags or notices - 4th false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$500	\$500
0	Failure to comply with orders, tags or notices - 5th and subsequent false alarm within 6 months (Penalty fees are not included with the annual S&EB increase)	\$1,000	\$1,000

(a) 2014-15 Hourly Rate decreased by \$10 to \$195 per hour

(b) Include M150 Admin Drive Time Fee