



# ORANGE COUNTY FIRE AUTHORITY

## AGENDA

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

### EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, January 23, 2020

5:30 P.M.

**Regional Fire Operations and Training Center**

**Board Room**

1 Fire Authority Road

Irvine, CA 92602

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>

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



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

### CALL TO ORDER

INVOCATION by Chaplain Jeff Hetschel

PLEDGE OF ALLEGIANCE by Director Ta

### ROLL CALL

### 1. PRESENTATIONS

No items.

## REPORTS

### REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

### REPORT FROM FIRE CHIEF

- Quarterly Capital Improvement Projects Report

## PUBLIC COMMENTS

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

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

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

## 2. MINUTES

### A. Minutes from the (A) November 21, 2019, Regular and (B) December 5, 2019, Special Executive Committee Meetings

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

## 3. CONSENT CALENDAR

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

### A. Monthly Investment Reports

Submitted by: Tricia Jakubiak, Treasurer

**Budget and Finance Committee Recommendation: *APPROVE***

Recommended Action:

Receive and file the reports.

**B. Blanket Order Contract Increase for Helicopter Maintenance Repair Services**

Submitted by: Brian Norton, Division Chief/Special Operations

Recommended Actions:

1. Approve and authorize the Purchasing Manager to increase the blanket order contract with RSI in the amount of \$204,366 (to a total not to exceed amount of \$1,250,480) for the current contract ending November 30, 2019, to pay for work completed as part of the major inspection services.
2. Approve and authorize the Purchasing Manager to increase the blanket order beginning December 1, 2019, in the amount of \$800,000 (from \$300,000 to \$1,100,000) to cover the major inspection service for Helicopter 4 and the annual as-needed repairs.
3. Approve and authorize the Purchasing Manager to increase the contract value from \$300,000 to \$800,000 annually on the remaining two contract extensions (through November 30, 2023).

**C. Increase to Agreement for Engineering and Construction Management Services for Expanded OCFA Training Grounds Upgrades**

Submitted by: Jim Ruane, Assistant Chief/Logistics Department

Recommended Action:

Approve and authorize the Purchasing Manager to increase the professional services agreement with RSSE Structural Engineers, Inc., and corresponding one-time purchase order, by \$692,000 to an amount not to exceed \$852,000 for expanded services in support of the RFOTC Training Grounds Upgrade Project.

**D. Project and Construction Management Services for Fire Station Renovations Project: Stations 14 & 16 (Silverado) and 32 & 53 (Yorba Linda)**

Submitted by: Jim Ruane, Assistant Chief/Logistics Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to issue a one-time Purchase Order in the amount of \$285,000 for OCFA Renovations Project: Stations 14, 16, 32, 53.
2. Approve and authorize the Purchasing Manager to increase the professional services agreement with Griffin Structures by \$150,000 to an amount not to exceed \$250,000 annually.

**E. Blanket Order Contract Increase for General Counsel Services**

Submitted by: Lori Zeller, Deputy Chief/Administration and Support Bureau

Recommended Actions:

1. Approve and authorize the Purchasing Manager to increase Blanket Order 1267 with Woodruff Spradlin & Smart by \$146,610 for a total not to exceed \$671,610, to cover legal costs for the remainder of the contract year (through February 29, 2020).
2. Approve and authorize the Purchasing Manager to establish the new Blanket Order (beginning March 1, 2020) in a not to exceed amount of \$675,000.

**END OF CONSENT CALENDAR**

#### **4. DISCUSSION CALENDAR**

No items.

#### **CLOSED SESSION**

No items.

#### **COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next regular meeting of the Orange County Fire Executive Committee is scheduled for Thursday, February 27, 2020, at 5:30 p.m.

#### **AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 16<sup>th</sup> day of January 2020.

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

#### **UPCOMING MEETINGS:**

Human Resources Committee Meeting	Tuesday, February 4, 2020, 12 noon
Budget and Finance Committee Special Meeting*	Tuesday, February 11, 2020, 12 noon
Executive Committee Meeting	Thursday, February 27, 2020, 5:30 p.m.
Board of Directors Meeting	Thursday, February 27, 2020, 6:00 p.m.

\*Due to Holiday



Capital Improvement Program (CIP) Update 2nd Quarter – FY 2019/20

ITEM	BUDGET	PROGRESS	ANTICIPATED COMPLETION	COMMENTS
Fire Stations and Facilities (CIP Fund 123)				
1. Fire Station 9/24 Replacement (Mission Viejo)	\$6.5M	Site Evaluation	TBD	Based on the Citygate analysis, the decision has been made to rebuild station 24, move the truck to FS24, and remodel/rebuild station 9. OCFA staff meeting with Mission Viejo staff this week.
2. Fire Station 10 Replacement (Yorba Linda)	\$7.5M	Planning	TBD	Met with Brookhurst Consulting to discuss how to move forward on one property that continues to extend escrow. An additional potential is a housing development interested in having a fire station on the site.
3. RFOTC Training Ground Upgrade	\$6.0m	Ongoing	2021	Project Manager contract awarded. Staff report to Executive Committee in January for approval of increase in Project Manager Purchase Order as a result of increase in scope.
4. Fire Station 42 Site Stabilization (Foothill Ranch)	\$900K	Complete	Dec-19	Construction complete.
5. RFOTC Security Enhancements and Data Center Fire Suppression	\$1.5M	Implementing	Ongoing	Purchase Order issued for Data Center suppression. RFOTC Security enhancements discussions are ongoing.
6. Fire Station 12 (Laguna Woods)	\$9.0M	Ongoing	Ongoing	Meeting with City staff regarding potential sites scheduled end of January/ early February along with a Project Manager.
7. Fire Station 52 (Irvine)	\$8.0M	Ongoing	Ongoing	Meeting / discussions with City staff / UCI regarding potential sites. Pursuing temporary station on UCI property concurrent with permanent station on various Irvine properties.
8. Fire Station 67 (Rancho Mission Viejo)	Developer Funded	Ongoing	Ongoing	Ongoing meeting re site & staffing timelines. Current plan is for a temporary (developer funded) fire station in 2021/22 with a developer funded fire engine and truck.
9. Fire Station 49 apparatus bay repair (Laguna Niguel)	\$1M	Planning	Dec-20	Evaluations have been completed by Geotech firm and a design engineer has been identified to begin design for repair.
Communications and Information Systems (CIP Fund 124 and 12110)				
10. Disaster Recovery for 9-1-1 Dispatch	\$1M	10%	Jun-22	US&R warehouse selected for Disaster Recovery location for Dispatch. Engineering firm selected Oct-19 to develop construction and requirements. Current phase – Evaluation & Planning.
11. Records Management System Integrated Fire Prevention (IFP) replacement approved Nov-19 for CRR Dept.	\$2.6M	10%	Dec-22	Development project for IFP system replacement approved Nov-19. Project duration expected 2 – 3 years. Current phase – Analysis of user needs and requirements in process.
12. Fire Station Alerting System Upgrade FS33 (JWA) completed. FS50 (San Clemente) FS21 (Tustin) FS25 (Westminster) next.	\$660K	30%	Jun-25	Upgrade all OCFA Fire Station Alerting systems. FS33 Completed and live Dec. 10, 2019. FS22, FS25, FS50 planning completed Jan-20, construction start Feb-20. Estimated completion of all fire stations Jun-25.
13. Next Gen CAD2CAD Upgrade project complete, go-live Jan-20	\$450K	100%	Jan-20	Testing completed in December, go-live has occurred Jan. 6, 2020. Costa Mesa continuing efforts with vendor specific to their CAD, but project is otherwise complete.
14. RFOTC Data Center Fire Suppression upgrade	\$1M	20%	Dec-20	Vendor selected to develop engineering plans for re-routing HVAC chilled water lines currently above Data Center. Room integrity test for Clean Agent (Gaseous suppression) completed Dec-19.
15. RFOTC Cyber Security upgrade	\$100K	25%	Jun-20	Purchase order (\$31K) issued to TEVORA for Cyber Security assessment Dec-19. Project kickoff Jan-20 and onsite evaluation/testing Feb-20.
Apparatus and Vehicles (CIP Fund 133)				
16. (7) Fire Engines - Structural/Type 1	\$4.3M	7 of 7	Dec-19	(7) Engines are here with (7) in-service. Project completed.
17. (11) Tractor Drawn Aerial (TDA)	\$8.4M	11 of 11	Oct-19	(11) Units in service. Project completed.
18. (3) Tractor Transport	\$480k	2 of 3	Oct-19	(2) Units in service, (1) on order ETA Jan-2020.
19. (3) Fire Engines - Wildland/Type 3	\$1.4M	0 of 3	Apr-20	(3) Type III's/ Bid has been awarded, pre-construction completed to be delivered April 2020.
20. (2) Tactical Water Tenders	\$694K	0 of 2	Apr-20	(2) Tactical Water Tenders Bid has been awarded, pre-construction completed to be delivered April 2020.
21. (4) Investigation Units	\$300k	3 of 4	Dec-19	(1) Unit in service, (2) currently being outfitted ETA Feb-2020. (1) Delivered and pending comm package installation ETA Mar-2020.
22. (11) utility pick ups	\$517k	11 of 11	Apr-20	(11) Delivered, (5) units in-service. (6) units currently being outfitted at both external vendor and internal staff. ETA for total completion is April 2020.

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

**Executive Committee Regular Meeting  
Thursday, November 21, 2019  
5:30 P.M.**

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

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## **CALL TO ORDER**

Vice Chair Hasselbrink called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on November 21, 2019.

## **INVOCATION**

Chaplain Matthew Si offered the invocation.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

**Present:** Shelley Hasselbrink, Los Alamitos  
Noel Hatch, Laguna Woods  
Thomas Moore, Seal Beach (Alternate)  
Vince Rossini, Villa Park (Alternate)  
Ed Sachs, Mission Viejo  
Dave Shawver, Stanton

**Absent:** Lisa Bartlett, County of Orange  
Gene Hernandez, Yorba Linda  
Joe Muller, Dana Point  
Don Sedgwick, Laguna Hills  
Tri Ta, Westminster

## **Also present were:**

Fire Chief Brian Fennessy  
Assistant Chief Randy Black  
Assistant Chief Jim Ruane  
General Counsel David Kendig  
Assistant Chief Pokey Sanchez  
Clerk of the Authority Sherry Wentz

Deputy Chief Lori Zeller  
Assistant Chief Robert Cortez  
Assistant Chief Lori Smith  
Assistant Chief Nina Collins  
Director of Communications Colleen Windsor

## **1. PRESENTATIONS**

No items.

## **REPORTS**

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

Budget and Finance Committee Chair Shelley Hasselbrink reported at the November 13, 2019, meeting, the Committee voted unanimously to send the First Quarter Financial Newsletter and Monthly Investment Reports, to the Executive Committee for its approval; voted to send the Annual Statement of Investment Policy and Investment Authorization, Acceptance of Funds from the 2018 Homeland Security Grant Program for an Administrative Fire Captain Assigned to the Orange County Intelligence Assessment Center, the Audited Financial Reports for the Fiscal Year Ended June 30, 2019, the Amendment to the Board Rules of Procedure for All Monthly Board Committee Meetings to Go Dark in August, and the 2019 Long Term Liability Study & Accelerated Pension Payment Plan to the Board of Directors for approval of the recommended actions.

### **REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 12.02A6)**

Human Resource Committee Member Noel Hatch reported at the November 5, 2019, meeting, the Committee discussed the Organizational Development Project Update, which is an initiative being guided by Chief Fennessy with assistance from consultant/retired Fire Chief Bob Roper. This project will seek to identify OCFA Chief Officers who aspire to promote to higher ranks, and then assist with developmental opportunities. The targeted outcome of the first phase of the project is to fill the vacancy for Deputy Chief of Emergency Operations, and to do so from within the organization. Following discussion between the Committee and Chief Fennessy, the Committee received and filed the report. The Committee also received and filed the Third Quarter Recruitment and Selection Unit Update.

### **PUBLIC COMMENTS (F: 12.02A3)**

Vice Chair Hasselbrink opened the Public Comments portion of the meeting. Vice Chair Hasselbrink closed the Public Comments portion of the meeting without any comments from the general public.

## **2. MINUTES**

### **A. Minutes from the October 24, 2019, Regular Executive Committee Meeting (F: 12.02A2)**

On motion of Director Sachs and second by Director Hatch, the Executive Committee voted unanimously by those present to approve the October 24, 2019, minutes as submitted.

Minutes

OCFA Executive Committee Regular Meeting

November 21, 2019 Page - 2

### **3. CONSENT CALENDAR**

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

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the reports.

#### **B. First Quarter Financial Newsletter (F: 15.07)**

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the report.

#### **C. Sole Source Blanket Order Extension for “EZ-IO” Intraosseous (Bone Marrow) Infusion Systems (F: 19.09D6)**

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to extend the sole source contract with Teleflex, Inc. for the purchase of EZ-IO systems and accessories for three additional one-year periods at the increased amount of \$150,000 annually (\$450,000 during the additional three-year term).

#### **D. Contract Amendment to Cooperative Contract for Information Technology Staff Augmentation Services (F: 19.08A29)**

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to amend the current Professional Services Agreement with Computer Aid, Inc. and increase the total contract amount by \$2,625,732 to a new total amount not to exceed \$3,883,144 for staff augmentation services, and to extend the existing two-year contract through March 3, 2022 for a new total contract term of approximately four-years.

#### **E. Contract Award for Archaeological and Environmental Services (F: 18.08B8)**

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with The Chambers Group, Inc. for archaeological and environmental services (on an as-needed basis) in an amount not to exceed \$1,852,450 for the three-year grant period through March 15, 2022.

**F. 2019 Legislative Report (F: 11.10F1)**

On motion of Director Rossini and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the report.

**END OF CONSENT CALENDAR**

**4. DISCUSSION CALENDAR**

No items.

**CLOSED SESSION**

No items.

**COMMITTEE MEMBER COMMENTS**

Vice Chair Hasselbrink reminded the Committee Members that the Board and Executive Committee would be dark in the month of December.

**ADJOURNMENT** – Vice Chair Hasselbrink adjourned the meeting at 5:33 p.m. The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, January 23, 2020, at 5:30 p.m.

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

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

**Executive Committee Special Meeting  
Thursday, December 5, 2019  
12:00 P.M.**

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

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## **CALL TO ORDER**

Chair Muller called the special meeting of the Orange County Fire Authority Executive Committee to order at 12:05 p.m. on December 5, 2019.

## **INVOCATION**

Chaplain Matthew Si offered the invocation.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

**Present:** Shelley Hasselbrink, Los Alamitos  
Noel Hatch, Laguna Woods  
Joe Muller, Dana Point  
Don Sedgwick, Laguna Hills  
Tri Ta, Westminster

**Absent:** Lisa Bartlett, County of Orange  
Gene Hernandez, Yorba Linda  
Ed Sachs, Mission Viejo  
Dave Shawver, Stanton

## **Also present were:**

Fire Chief Brian Fennessy  
Assistant Chief Robert Cortez  
Assistant Chief Lori Smith  
Clerk of the Authority, Sherry Wentz

Deputy Chief Lori Zeller  
Assistant Chief Jim Ruane  
General Counsel David Kendig  
Director of Communications Colleen Windsor

## **1. PRESENTATIONS**

No items.

## **PUBLIC COMMENTS**

Chair Muller opened the Public Comments portion of the meeting. Chair Muller closed the Public Comments portion of the meeting without any comments from the general public.

## **REPORTS**

No items.

## **2. MINUTES**

No items.

## **3. CONSENT CALENDAR**

### **A. Next Generation Aerial Operations Pilot Program Extension – Additional Donation and Related Contract Amendments (F: 18.09D)**

On motion of Director Ta and second by Vice Chair Hasselbrink, the Executive Committee voted unanimously by those present to:

1. Approve and authorize the execution of Amendment One to the Funding Agreement with Southern California Edison, substantially in the form proposed, to increase the previous donation by \$880,000 to extend the NextGen Pilot Program and fund the lease of aircraft and other related program costs.
2. Approve and authorize the execution of Amendment One to the Public Aircraft Lease and Service Agreement with Coulson Aviation (USA), Inc., substantially in the form proposed, to identify additional available aircraft and extend the term of the agreement through January 1, 2020.
3. Approve and authorize the Purchasing Manager to increase the Professional Services Agreements for Air Tactical Group Supervisors as needed up to \$200,000 each for an aggregate total not to exceed \$750,000 for Air Tactical Group Supervisors services for the NextGen and Fire Integrated Real-time Intelligence System pilot programs.

## **4. DISCUSSION CALENDAR**

No items.

## **COMMITTEE MEMBER COMMENTS**

The Committee Members offered no comments.

## **CLOSED SESSION**

No items.

**ADJOURNMENT** – Chair Muller adjourned the meeting at 12:06 p.m. The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, January 23, 2020, at 5:30 p.m.

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





Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
January 23, 2020

Agenda Item No. 3A  
Consent Calendar

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**Monthly Investment Reports**

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**Contact(s) for Further Information**

Tricia Jakubiak, Treasurer Treasury & Financial Planning	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
Jane Wong, Assistant Treasurer	<a href="mailto:jane Wong@ocfa.org">jane Wong@ocfa.org</a>	714.573.6305

**Summary**

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

**Prior Board/Committee Action**

**Budget and Finance Committee Recommendation: *APPROVE***

At its regular January 8, 2020, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

**RECOMMENDED ACTION(S)**

Receive and file the reports.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Since the Committee did not meet in December, attached are the final monthly investment reports for the months ending October 31 and November 30, 2019. A preliminary investment report as of December 13, 2019, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

1. Final Investment Report – October 2019/Preliminary Report – November 2019
2. Final Investment Report – November 2019/Preliminary Report – December 2019



## ORANGE COUNTY FIRE AUTHORITY

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


Brian Fennessy, Fire Chief

(714) 573-6000

[www.ocfa.org](http://www.ocfa.org)

December 4, 2019

TO: Budget and Finance Committee  
Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer 

SUBJECT: **Investment Report**

Due to the cancellation of the December 11, 2019 meeting of the Budget and Finance Committee, I am enclosing the monthly investment report for your review. The report includes the following:

- Final Investment Report for October 2019
- Preliminary Investment Report for November 2019

Since the December meeting of the Executive Committee has also been cancelled, this report will be forwarded to the January 8, 2020 meeting of the Budget and Finance Committee for action to be taken. If you have any questions, please call me at (714) 573-6301.

Enclosure

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – October 2019*

*Preliminary Report – November 2019*



## ***Monthly Investment Report Table of Contents***

<b><i>Final Investment Report – October 31, 2019.....</i></b>	<b><i>1</i></b>
<i>Executive Summary.....</i>	<i>2</i>
<i>Benchmark Comparison.....</i>	<i>3</i>
<i>Portfolio Size, Yield, &amp; Duration.....</i>	<i>3</i>
<i>Portfolio Summary.....</i>	<i>4</i>
<i>Portfolio Details.....</i>	<i>5</i>
<i>Aging Report.....</i>	<i>8</i>
<i>Notes to Portfolio Management Report.....</i>	<i>9</i>
<i>Local Agency Investment Fund.....</i>	<i>10</i>
 <b><i>Preliminary Investment Report – November 22, 2019.....</i></b>	 <b><i>12</i></b>
<i>Portfolio Summary.....</i>	<i>13</i>
<i>Portfolio Details.....</i>	<i>14</i>
<i>Aging Report.....</i>	<i>17</i>
<i>Notes to Portfolio Management Report.....</i>	<i>18</i>
 <i>Glossary.....</i>	 <i>19</i>



***Orange County Fire Authority***

***Final Investment Report***

***October 31, 2019***





## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of October 2019, the size of the portfolio decreased by \$19.0 million to \$123.5 million. Significant receipts for the month included cash contract payments, an apportionment of property taxes, charges for current services and intergovernmental agency contract and grant payments totaling \$11.6 million. Significant disbursements for the month included primarily two biweekly payrolls which were approximately \$12.7 million each with related benefits. Total October cash outflows amounted to approximately \$31.3 million. The portfolio's balance is expected to increase in November.

In October, the portfolio's yield to maturity (365-day equivalent) dropped by 12 basis points to 2.05/%. The effective rate of return declined by 20 basis points to 2.08% and by 5 basis points to 2.24% for the month and the fiscal year to date, respectively. The average maturity of the portfolio shortened further by 6 days to 18 days to maturity.

### ***Economic News***

In October 2019, U.S. economic growth remained stable, despite a continuing global economic slowdown and the pending trade negotiations with China. Employment conditions rebounded from the prior month and continued to be solid. There were 128,000 new jobs added in October, a stronger number than expected. In addition, the September employment number was upwardly revised to 180,000 new jobs instead of 136,000 as previously reported. The unemployment rate remained at a near 50-year record low, albeit edging up to 3.6%. Consumer confidence measures continued to be mixed, but persisted at high levels. Retail sales reversed and picked up in October. Both the Manufacturing and Non-manufacturing ISM (Institute for Supply Management) Indices improved for the month. The CPI (Consumer Price Index) rose by 0.4%, but overall inflation stayed low. Durable goods orders increased while industrial production declined further. Home sales activity improved in October.



### BENCHMARK COMPARISON AS OF OCTOBER 31, 2019

3 Month T-Bill: 1.68%

1 Year T-Bill: 1.61%

6 Month T-Bill: 1.67%

LAIF: 2.19%

OCFA Portfolio: 2.08%

### PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$123,446,525	\$142,461,470	\$121,052,604
Yield to Maturity (365 day)	2.05%	2.17%	1.99%
Effective Rate of Return	2.08%	2.28%	1.95%
Days to Maturity	18	24	49



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**October 31, 2019**

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call/ Maturity	YTM/Call 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	16,066,398.05	16,066,398.05	16,066,398.05	13.07	1	1	1.332	1.350
Federal Agency Disc. -Amortizing	15,000,000.00	14,964,810.00	14,956,514.17	12.16	182	51	2.178	2.208
Treasury Discounts -Amortizing	30,000,000.00	29,941,800.00	29,928,180.56	24.34	148	46	2.032	2.060
Local Agency Investment Funds	62,000,000.00	62,101,854.65	62,000,000.00	50.43	1	1	2.160	2.190
<b>Investments</b>	<b>123,066,398.05</b>	<b>123,074,862.70</b>	<b>122,951,092.78</b>	<b>100.00%</b>	<b>59</b>	<b>18</b>	<b>2.023</b>	<b>2.051</b>
<hr/>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	353,617.33	353,617.33	353,617.33		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>123,420,015.38</b>	<b>123,428,480.03</b>	<b>123,304,710.11</b>		<b>59</b>	<b>18</b>	<b>2.023</b>	<b>2.051</b>

Total Earnings	October 31 Month Ending	Fiscal Year To Date
Current Year	227,851.86	1,119,004.90
<b>Average Daily Balance</b>	<b>128,816,416.12</b>	<b>147,957,444.67</b>
<b>Effective Rate of Return</b>	<b>2.08%</b>	<b>2.24%</b>

"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, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak, Treasurer

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 123,304,710.11

GASB 31 Adjustment to Books (See Note 3 on page 9)

\$ 141,814.96

Total

\$ 123,446,525.07



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**October 31, 2019**

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call/ Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations			16,066,398.05	16,066,398.05	16,066,398.05	1.350	1.350	1	
<b>Subtotal and Average</b>			<b>7,427,559.45</b>		<b>16,066,398.05</b>	<b>16,066,398.05</b>	<b>16,066,398.05</b>		<b>1.350</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
<b>Subtotal and Average</b>			<b>11,903,225.81</b>								
<b>Federal Agency Disc. -Amortizing</b>											
313312QH6	977	Federal Farm Credit Bank		04/18/2019	9,000,000.00	8,983,710.00	8,976,697.50	2.390	2.489	39	12/10/2019
313396RQ8	983	Freddie Mac		10/02/2019	6,000,000.00	5,981,100.00	5,979,816.67	1.730	1.787	70	01/10/2020
<b>Subtotal and Average</b>			<b>15,621,518.79</b>		<b>15,000,000.00</b>	<b>14,964,810.00</b>	<b>14,956,514.17</b>		<b>2.208</b>	<b>51</b>	
<b>Treasury Discounts -Amortizing</b>											
912796SS9	978	US Treasury Bill		06/03/2019	10,000,000.00	9,994,600.00	9,992,019.44	2.210	2.263	13	11/14/2019
912796SU4	979	US Treasury Bill		06/27/2019	5,000,000.00	4,994,250.00	4,992,144.44	2.020	2.066	28	11/29/2019
912796SU4	980	US Treasury Bill		07/18/2019	5,000,000.00	4,994,250.00	4,992,319.45	1.975	2.045	28	11/29/2019
912796TA7	981	US Treasury Bill		09/17/2019	5,000,000.00	4,985,300.00	4,982,079.17	1.870	1.934	69	01/09/2020
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,973,400.00	4,969,618.06	1.750	1.788	125	03/05/2020
<b>Subtotal and Average</b>			<b>29,903,107.64</b>		<b>30,000,000.00</b>	<b>29,941,800.00</b>	<b>29,928,180.56</b>		<b>2.060</b>	<b>46</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			62,000,000.00	62,101,854.65	62,000,000.00	2.190	2.190	1	
<b>Subtotal and Average</b>			<b>63,961,004.42</b>		<b>62,000,000.00</b>	<b>62,101,854.65</b>	<b>62,000,000.00</b>		<b>2.190</b>	<b>1</b>	
<b>Total and Average</b>			<b>128,816,416.12</b>		<b>123,066,398.05</b>	<b>123,074,862.70</b>	<b>122,951,092.78</b>		<b>2.051</b>	<b>18</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**October 31, 2019**

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>										
SYS10033	10033	Revolving Fund		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	333,617.33	333,617.33	333,617.33		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>128,816,416.12</b>		<b>123,420,015.38</b>	<b>123,428,480.03</b>	<b>123,304,710.11</b>		<b>2.051</b>	<b>18</b>

Orange County Fire Authority

In service of others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of November 1, 2019**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 11/01/2019 - 11/01/2019 )	4 Maturities	0 Payments	78,420,015.38	63.60%	78,420,015.38	78,521,870.03
Aging Interval:	1 - 30 days	( 11/02/2019 - 12/01/2019 )	3 Maturities	0 Payments	20,000,000.00	16.20%	19,976,483.33	19,983,100.00
Aging Interval:	31 - 60 days	( 12/02/2019 - 12/31/2019 )	1 Maturities	0 Payments	9,000,000.00	7.28%	8,976,697.50	8,983,710.00
Aging Interval:	61 - 91 days	( 01/01/2020 - 01/31/2020 )	2 Maturities	0 Payments	11,000,000.00	8.89%	10,961,895.84	10,966,400.00
Aging Interval:	92 - 121 days	( 02/01/2020 - 03/01/2020 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	( 03/02/2020 - 04/01/2020 )	1 Maturities	0 Payments	5,000,000.00	4.03%	4,969,618.06	4,973,400.00
Aging Interval:	153 days and after	( 04/02/2020 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			11 Investments	0 Payments		100.00	123,304,710.11	123,428,480.03



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly 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, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations 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 October 31, 2019, OCFA has \$62,000,000 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 September 30, 2019 is 1.001642817. When applied to OCFA's LAIF investment, the fair value is \$62,101,855 or \$101,855 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 October 31, 2019 is included on the following page.



Fair Value Including Accrued Interest	\$	92,062,479,215.81
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Page 11



*Orange County Fire Authority*

*Preliminary Investment Report*

*November 22, 2019*





**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**November 22, 2019**

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 Call/ Maturity	YTM/Call 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	3,706,055.08	3,706,055.08	3,706,055.08	3.26	1	1	1.332	1.350
Federal Agency Disc. -Amortizing	25,000,000.00	24,960,290.00	24,953,758.05	21.96	136	38	1.933	1.960
Treasury Discounts -Amortizing	20,000,000.00	19,967,200.00	19,959,429.18	17.57	140	40	1.932	1.958
Local Agency Investment Funds	65,000,000.00	65,106,783.11	65,000,000.00	57.21	1	1	2.160	2.190
<b>Investments</b>	<b>113,706,055.08</b>	<b>113,740,328.19</b>	<b>113,619,242.31</b>	<b>100.00%</b>	<b>55</b>	<b>16</b>	<b>2.043</b>	<b>2.071</b>

<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	525,484.71	525,484.71	525,484.71		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>114,231,539.79</b>	<b>114,265,812.90</b>	<b>114,144,727.02</b>		<b>55</b>	<b>16</b>	<b>2.043</b>	<b>2.071</b>

<b>Total Earnings</b>	<b>November 22 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	146,116.05	1,265,120.95
<b>Average Daily Balance</b>	<b>118,175,411.48</b>	<b>143,438,791.36</b>
<b>Effective Rate of Return</b>	<b>2.05%</b>	<b>2.22%</b>

"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, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak, Treasurer

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 114,144,727.02

GASB 31 Adjustment to Books (See Note 3 on page 18)

\$ 141,814.96

Total

\$ 114,286,541.98

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 22, 2019**

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call/ Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations			3,706,055.08	3,706,055.08	3,706,055.08	1.350	1.350	1	
<b>Subtotal and Average</b>			<b>5,917,437.53</b>		<b>3,706,055.08</b>	<b>3,706,055.08</b>	<b>3,706,055.08</b>		<b>1.350</b>	<b>1</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313312QH6	977	Federal Farm Credit Bank		04/18/2019	9,000,000.00	8,994,150.00	8,989,842.50	2.390	2.489	17	12/10/2019
313396RQ8	983	Freddie Mac		10/02/2019	6,000,000.00	5,987,940.00	5,986,160.00	1.730	1.787	48	01/10/2020
313384RU5	984	Fed Home Loan Bank		11/07/2019	10,000,000.00	9,978,200.00	9,977,755.55	1.540	1.588	52	01/14/2020
<b>Subtotal and Average</b>			<b>22,220,917.41</b>		<b>25,000,000.00</b>	<b>24,960,290.00</b>	<b>24,953,758.05</b>		<b>1.960</b>	<b>38</b>	
<b>Treasury Discounts -Amortizing</b>											
912796SU4	979	US Treasury Bill		06/27/2019	5,000,000.00	4,999,200.00	4,998,316.67	2.020	2.066	6	11/29/2019
912796SU4	980	US Treasury Bill		07/18/2019	5,000,000.00	4,999,200.00	4,998,354.17	1.975	2.045	6	11/29/2019
912796TA7	981	US Treasury Bill		09/17/2019	5,000,000.00	4,990,400.00	4,987,793.06	1.870	1.934	47	01/09/2020
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,978,400.00	4,974,965.28	1.750	1.788	103	03/05/2020
<b>Subtotal and Average</b>			<b>25,855,238.36</b>		<b>20,000,000.00</b>	<b>19,967,200.00</b>	<b>19,959,429.18</b>		<b>1.958</b>	<b>40</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	65,106,783.11	65,000,000.00	2.190	2.190	1	
<b>Subtotal and Average</b>			<b>64,181,818.18</b>		<b>65,000,000.00</b>	<b>65,106,783.11</b>	<b>65,000,000.00</b>		<b>2.190</b>	<b>1</b>	
<b>Total and Average</b>			<b>118,175,411.49</b>		<b>113,706,055.08</b>	<b>113,740,328.19</b>	<b>113,619,242.31</b>		<b>2.071</b>	<b>16</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**November 22, 2019**

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>										
SYS10033	10033	Revolving Fund		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	505,484.71	505,484.71	505,484.71		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>118,175,411.48</b>		<b>114,231,539.79</b>	<b>114,265,812.90</b>	<b>114,144,727.02</b>		<b>2.071</b>	<b>16</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of November 23, 2019**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 11/23/2019 - 11/23/2019 )	4 Maturities	0 Payments	69,231,539.79	60.65%	69,231,539.79	69,338,322.90
Aging Interval:	1 - 30 days	( 11/24/2019 - 12/23/2019 )	3 Maturities	0 Payments	19,000,000.00	16.63%	18,986,513.34	18,992,550.00
Aging Interval:	31 - 60 days	( 12/24/2019 - 01/22/2020 )	3 Maturities	0 Payments	21,000,000.00	18.36%	20,951,708.61	20,956,540.00
Aging Interval:	61 - 91 days	( 01/23/2020 - 02/22/2020 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	( 02/23/2020 - 03/23/2020 )	1 Maturities	0 Payments	5,000,000.00	4.36%	4,974,965.28	4,978,400.00
Aging Interval:	122 days and after	( 03/24/2020 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			11 Investments	0 Payments		100.00	114,144,727.02	114,265,812.90





**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG 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, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations 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.

## GLOSSARY

### INVESTMENT TERMS

**Basis Point.** Measure used in quoting yields on bonds and notes. One basis point is .01% of yield.

**Book Value.** This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security's current value in the market.

**Commercial Paper.** Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days; may be sold on a discount basis or may bear interest.

**Coupon Rate.** Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

**Discount.** The amount by which a bond sells under its par (face) value.

**Discount Securities.** Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

**Effective Rate of Return.** Rate of return on a security, based on its purchase price, coupon rate, maturity date, and the period between interest payments.

**Federal Agency Securities.** Securities issued by agencies such as the Federal National Mortgage Association and the Federal Farm Credit Bank. Though not general obligations of the US Treasury, such securities are sponsored by the government and therefore have high credit ratings. Some are issued on a discount basis and some are issued with coupons.

**Federal Funds.** Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are considered to be immediately available funds.

**Fed Funds Rate.** The interest rate charged by one institution lending federal funds to another.

**Federal Open Market Committee.** The branch of the Federal Reserve Board that determines the direction of monetary policy.

**Local Agency Investment Fund (LAIF).** A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$50 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot to exceed 1/4 of a percent of the earnings.

**Market value.** The price at which the security is trading and could presumably be purchased or sold.

**Maturity Date.** The specified day on which the issuer of a debt security is obligated to repay the principal amount or face value of security.

**Money Market Mutual Fund.** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repurchase agreements and federal funds).

**Par.** Face value or principal value of a bond typically \$1,000 per bond.

**Rate of Return.** The amount of income received from an investment, expressed as a percentage. A *market rate of return* is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

**Treasury Bills.** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes.** Intermediate U.S. government debt securities with maturities of one to 10 years.

**Treasury bonds.** Long-term U.S. government debt securities with maturities of 10 years or longer.

**Yield.** Rate of return on a bond.

**Yield-to-maturity.** Rate of return on a bond taking into account the total annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

### ECONOMIC TERMS

**Conference Board Consumer Confidence Index** A survey that measures how optimistic or pessimistic consumers are with respect to the economy in the near future.

**Consumer Price Index (CPI).** A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.



**Durable Goods Orders.** An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

**Gross Domestic Product.** The monetary value of all the finished goods and services produced within a country's borders in a specific time period. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

**Industrial Production.** An economic indicator that is released monthly by the Federal Reserve Board. The indicator measures the amount of output from the manufacturing, mining, electric and gas industries.

**ISM Institute for Supply Management (ISM) Manufacturing Index.** A monthly index that monitors employment, production inventories, new orders and supplier deliveries.

**ISM Non-manufacturing Index.** An index based on surveys of non-manufacturing firms' purchasing and supply executives. It tracks economic data for the service sector.

**Leading Economic Index.** A monthly index used to predict the direction of the economy's movements in the months to come. The index is made up of 10 economic components, whose changes tend to precede changes in the overall economy.

**National Federation of Independent Business Small Business Optimism Index.** An index based on surveys of small business owners' plans and expectations regarding employment, capital, inventories, economic improvement, credit conditions, expansion, and earnings trends in the near term or future.

**Producer Price Index.** An index that measures the average change over time in the selling prices received by domestic producers for their output.

**University of Michigan Consumer Sentiment Index.** An index that measures the overall health of the economy as determined by consumer opinion. It takes into account an individual's feelings toward his or her own current financial health, the health of the economy in the short term and the prospects for longer term economic growth.

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – November 2019*

*Preliminary Report – December 2019*



## ***Monthly Investment Report Table of Contents***

<b><i>Final Investment Report – November 30, 2019.....</i></b>	<b><i>1</i></b>
<i>Executive Summary.....</i>	<i>2</i>
<i>Benchmark Comparison.....</i>	<i>3</i>
<i>Portfolio Size, Yield, &amp; Duration.....</i>	<i>3</i>
<i>Portfolio Summary.....</i>	<i>4</i>
<i>Portfolio Details.....</i>	<i>5</i>
<i>Aging Report.....</i>	<i>8</i>
<i>Notes to Portfolio Management Report.....</i>	<i>9</i>
<i>Local Agency Investment Fund.....</i>	<i>10</i>
 <b><i>Preliminary Investment Report – December 13, 2019.....</i></b>	 <b><i>12</i></b>
<i>Portfolio Summary.....</i>	<i>13</i>
<i>Portfolio Details.....</i>	<i>14</i>
<i>Aging Report.....</i>	<i>17</i>
<i>Notes to Portfolio Management Report.....</i>	<i>18</i>
 <i>Glossary.....</i>	 <i>19</i>



*Orange County Fire Authority*

*Final Investment Report*

*November 30, 2019*





## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of November 2019, the size of the portfolio increased by \$10.5 million to \$134.0 million. Significant receipts for the month included the first and second apportionments of secured property taxes for a total of \$44.5 million and two cash contract payments along with various intergovernmental agency payments and other charges for current services totaling \$10.3 million. Significant disbursements for the month included primarily three biweekly payrolls (instead of the typical two per month) which were approximately \$13.5 million each with related benefits. Total November cash outflows amounted to approximately \$45.2 million. The portfolio's balance is expected to increase significantly in December as the next major property tax receipt is expected for the month.

In November, the portfolio's yield to maturity (365-day equivalent) dropped by 14 basis points to 1.91/%. The effective rate of return declined by 7 basis points to 2.01% and by 4 basis points to 2.20% for the month and the fiscal year to date, respectively. The average maturity of the portfolio increased slightly by 2 days to 20 days to maturity.

### ***Economic News***

In November 2019, U.S. economic growth appeared to strengthen, although overall economic activity remained mixed. Employment conditions continued to be resilient and strong. There were a total of 266,000 new jobs added in November, a much stronger number than expected. In addition, the unemployment rate dipped back to 50-year record low at 3.5% in November from 3.6% previously. Consumer confidence measures stayed mixed, but remained at high levels. Retail sales rose, but less than expected. Both the Manufacturing and Non-manufacturing ISM (Institute for Supply Management) Indices reversed and pulled back slightly for the month. The CPI (Consumer Price Index) increased by 0.3%, but overall inflation stayed low. Industrial production rose by 1.1%, the best pace in more than two years. On December 11, 2019, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at the target range of 1.50% - 1.75%.



### BENCHMARK COMPARISON AS OF NOVEMBER 30, 2019

3 Month T-Bill: 1.57%

1 Year T-Bill: 1.57%

6 Month T-Bill: 1.59%

LAIF: 2.10%

OCFA Portfolio: 2.01%

### PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$133,967,360	\$123,446,525	\$135,771,668
Yield to Maturity (365 day)	1.91%	2.05%	2.10%
Effective Rate of Return	2.01%	2.08%	2.08%
Days to Maturity	20	18	45



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**November 30, 2019**

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call/ Maturity	YTM/Call 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	7,797,055.08	7,797,055.08	7,797,055.08	5.83	1	1	1.164	1.180
Federal Agency Disc. -Amortizing	51,000,000.00	50,918,130.00	50,914,058.06	38.09	91	37	1.766	1.791
Treasury Discounts -Amortizing	10,000,000.00	9,971,350.00	9,966,780.55	7.46	135	67	1.835	1.861
Local Agency Investment Funds	65,000,000.00	65,106,783.11	65,000,000.00	48.62	1	1	2.074	2.103
<b>Investments</b>	<b>133,797,055.08</b>	<b>133,793,318.19</b>	<b>133,677,893.69</b>	<b>100.00%</b>	<b>45</b>	<b>20</b>	<b>1.886</b>	<b>1.912</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	147,651.12	147,651.12	147,651.12		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>133,944,706.20</b>	<b>133,940,969.31</b>	<b>133,825,544.81</b>		<b>45</b>	<b>20</b>	<b>1.886</b>	<b>1.912</b>

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	198,833.61	1,317,838.51
<b>Average Daily Balance</b>	<b>120,603,116.44</b>	<b>142,593,850.90</b>
<b>Effective Rate of Return</b>	<b>2.01%</b>	<b>2.20%</b>

"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, 2019. 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 Jakubrak, Treasurer

12/6/19

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 133,825,544.81

GASB 31 Adjustment to Books (See Note 3 on page 9)

\$ 141,814.96

Total

\$ 133,967,359.77

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 2019**

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call/ Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations			7,797,055.08	7,797,055.08	7,797,055.08	1.180	1.180	1	
<b>Subtotal and Average</b>			<b>6,174,551.68</b>		<b>7,797,055.08</b>	<b>7,797,055.08</b>	<b>7,797,055.08</b>		<b>1.180</b>	<b>1</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313312QH6	977	Federal Farm Credit Bank		04/18/2019	9,000,000.00	8,996,850.00	8,994,622.50	2.390	2.489	9	12/10/2019
313396RQ8	983	Freddie Mac		10/02/2019	6,000,000.00	5,989,680.00	5,988,466.67	1.730	1.787	40	01/10/2020
313384RU5	984	Fed Home Loan Bank		11/07/2019	10,000,000.00	9,981,000.00	9,981,177.78	1.540	1.588	44	01/14/2020
313384RU5	985	Fed Home Loan Bank		11/27/2019	10,000,000.00	9,981,000.00	9,980,688.89	1.580	1.628	44	01/14/2020
313384RU5	986	Fed Home Loan Bank		11/27/2019	16,000,000.00	15,969,600.00	15,969,102.22	1.580	1.628	44	01/14/2020
<b>Subtotal and Average</b>			<b>26,410,995.18</b>		<b>51,000,000.00</b>	<b>50,918,130.00</b>	<b>50,914,058.06</b>		<b>1.791</b>	<b>37</b>	
<b>Treasury Discounts -Amortizing</b>											
912796TA7	981	US Treasury Bill		09/17/2019	5,000,000.00	4,991,750.00	4,989,870.83	1.870	1.934	39	01/09/2020
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,979,600.00	4,976,909.72	1.750	1.788	95	03/05/2020
<b>Subtotal and Average</b>			<b>23,617,569.59</b>		<b>10,000,000.00</b>	<b>9,971,350.00</b>	<b>9,966,780.55</b>		<b>1.861</b>	<b>67</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	65,106,783.11	65,000,000.00	2.103	2.103	1	
<b>Subtotal and Average</b>			<b>64,400,000.00</b>		<b>65,000,000.00</b>	<b>65,106,783.11</b>	<b>65,000,000.00</b>		<b>2.103</b>	<b>1</b>	
<b>Total and Average</b>			<b>120,603,116.44</b>		<b>133,797,055.08</b>	<b>133,793,318.19</b>	<b>133,677,893.69</b>		<b>1.912</b>	<b>20</b>	



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**November 30, 2019**

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>										
SYS10033	10033	Revolving Fund		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	127,651.12	127,651.12	127,651.12		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>120,603,116.44</b>		<b>133,944,706.20</b>	<b>133,940,969.31</b>	<b>133,825,544.81</b>		<b>1.912</b>	<b>20</b>

Orange County Fire Authority

In service of others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of December 1, 2019**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 12/01/2019 - 12/01/2019 )	4 Maturities	0 Payments	72,944,706.20	54.51%	72,944,706.20	73,051,489.31
Aging Interval:	1 - 30 days	( 12/02/2019 - 12/31/2019 )	1 Maturities	0 Payments	9,000,000.00	6.72%	8,994,622.50	8,996,850.00
Aging Interval:	31 - 60 days	( 01/01/2020 - 01/30/2020 )	5 Maturities	0 Payments	47,000,000.00	35.05%	46,909,306.39	46,913,030.00
Aging Interval:	61 - 91 days	( 01/31/2020 - 03/01/2020 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	( 03/02/2020 - 03/31/2020 )	1 Maturities	0 Payments	5,000,000.00	3.72%	4,976,909.72	4,979,600.00
Aging Interval:	122 days and after	( 04/01/2020 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			11 Investments	0 Payments		100.00	133,825,544.81	133,940,969.31



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly 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, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations 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 November 30, 2019, OCFA has \$65,000,000 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 September 30, 2019 is 1.001642817. When applied to OCFA's LAIF investment, the fair value is \$65,106,783 or \$106,783 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 November 30, 2019 is included on the following page.





Fair Value Including Accrued Interest	\$	87,087,977,481.91
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Page 11





*Orange County Fire Authority*

*Preliminary Investment Report*

*December 13, 2019*



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**December 13, 2019**

Orange County Fire Authority  
1 Fire Authority Road  
Irvine, 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 Call/ Maturity	YTM/Call 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	7,849,567.62	7,849,567.62	7,849,567.62	6.29	1	1	1.164	1.180
Federal Agency Disc. -Amortizing	42,000,000.00	41,948,100.00	41,943,579.44	33.62	60	30	1.618	1.641
Treasury Discounts -Amortizing	10,000,000.00	9,977,850.00	9,973,316.67	7.99	135	54	1.835	1.861
Local Agency Investment Funds	65,000,000.00	65,106,783.11	65,000,000.00	52.10	1	1	2.074	2.103
<b>Investments</b>	<b>124,849,567.62</b>	<b>124,882,300.73</b>	<b>124,766,463.73</b>	<b>100.00%</b>	<b>32</b>	<b>15</b>	<b>1.845</b>	<b>1.870</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	464,778.53	464,778.53	464,778.53		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>125,314,346.15</b>	<b>125,347,079.26</b>	<b>125,231,242.26</b>		<b>32</b>	<b>15</b>	<b>1.845</b>	<b>1.870</b>

Total Earnings	December 13 Month Ending	Fiscal Year To Date
Current Year	89,077.93	1,406,916.44
<b>Average Daily Balance</b>	<b>135,064,424.72</b>	<b>142,009,538.52</b>
<b>Effective Rate of Return</b>	<b>1.85%</b>	<b>2.18%</b>

"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, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak, Treasurer

12/20/19

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)

\$ 125,231,242.26

GASB 31 Adjustment to Books (See Note 3 on page 18)

\$ 141,814.96

Total

\$ 125,373,057.22

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 13, 2019**

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call/ Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations			7,849,567.62	7,849,567.62	7,849,567.62	1.180	1.180	1	
<b>Subtotal and Average</b>			<b>11,932,574.00</b>		<b>7,849,567.62</b>	<b>7,849,567.62</b>	<b>7,849,567.62</b>		<b>1.180</b>	<b>1</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313396RQ8	983	Freddie Mac		10/02/2019	6,000,000.00	5,993,460.00	5,992,215.00	1.730	1.787	27	01/10/2020
313384RU5	984	Fed Home Loan Bank		11/07/2019	10,000,000.00	9,987,400.00	9,986,738.89	1.540	1.588	31	01/14/2020
313384RU5	985	Fed Home Loan Bank		11/27/2019	10,000,000.00	9,987,400.00	9,986,394.44	1.580	1.628	31	01/14/2020
313384RU5	986	Fed Home Loan Bank		11/27/2019	16,000,000.00	15,979,840.00	15,978,231.11	1.580	1.628	31	01/14/2020
<b>Subtotal and Average</b>			<b>48,161,550.72</b>		<b>42,000,000.00</b>	<b>41,948,100.00</b>	<b>41,943,579.44</b>		<b>1.641</b>	<b>30</b>	
<b>Treasury Discounts -Amortizing</b>											
912796TA7	981	US Treasury Bill		09/17/2019	5,000,000.00	4,994,850.00	4,993,247.22	1.870	1.934	26	01/09/2020
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,983,000.00	4,980,069.45	1.750	1.788	82	03/05/2020
<b>Subtotal and Average</b>			<b>9,970,300.00</b>		<b>10,000,000.00</b>	<b>9,977,850.00</b>	<b>9,973,316.67</b>		<b>1.861</b>	<b>54</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	65,106,783.11	65,000,000.00	2.103	2.103	1	
<b>Subtotal and Average</b>			<b>65,000,000.00</b>		<b>65,000,000.00</b>	<b>65,106,783.11</b>	<b>65,000,000.00</b>		<b>2.103</b>	<b>1</b>	
<b>Total and Average</b>			<b>135,064,424.72</b>		<b>124,849,567.62</b>	<b>124,882,300.73</b>	<b>124,766,463.73</b>		<b>1.870</b>	<b>15</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**December 13, 2019**

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>										
SYS10033	10033	Revolving Fund		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	444,778.53	444,778.53	444,778.53		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>135,064,424.72</b>		<b>125,314,346.15</b>	<b>125,347,079.26</b>	<b>125,231,242.26</b>		<b>1.870</b>	<b>15</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of December 14, 2019**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 12/14/2019 - 12/14/2019 )	4 Maturities	0 Payments	73,314,346.15	58.54%	73,314,346.15	73,421,129.26
Aging Interval:	1 - 30 days	( 12/15/2019 - 01/13/2020 )	2 Maturities	0 Payments	11,000,000.00	8.77%	10,985,462.22	10,988,310.00
Aging Interval:	31 - 60 days	( 01/14/2020 - 02/12/2020 )	3 Maturities	0 Payments	36,000,000.00	28.71%	35,951,364.44	35,954,640.00
Aging Interval:	61 - 91 days	( 02/13/2020 - 03/14/2020 )	1 Maturities	0 Payments	5,000,000.00	3.98%	4,980,069.45	4,983,000.00
Aging Interval:	92 days and after	( 03/15/2020 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			10 Investments	0 Payments		100.00	125,231,242.26	125,347,079.26





**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG 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, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations 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.

## GLOSSARY

### INVESTMENT TERMS

**Basis Point.** Measure used in quoting yields on bonds and notes. One basis point is .01% of yield.

**Book Value.** This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security's current value in the market.

**Commercial Paper.** Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days; may be sold on a discount basis or may bear interest.

**Coupon Rate.** Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

**Discount.** The amount by which a bond sells under its par (face) value.

**Discount Securities.** Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

**Effective Rate of Return.** Rate of return on a security, based on its purchase price, coupon rate, maturity date, and the period between interest payments.

**Federal Agency Securities.** Securities issued by agencies such as the Federal National Mortgage Association and the Federal Farm Credit Bank. Though not general obligations of the US Treasury, such securities are sponsored by the government and therefore have high credit ratings. Some are issued on a discount basis and some are issued with coupons.

**Federal Funds.** Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are considered to be immediately available funds.

**Fed Funds Rate.** The interest rate charged by one institution lending federal funds to another.

**Federal Open Market Committee.** The branch of the Federal Reserve Board that determines the direction of monetary policy.

**Local Agency Investment Fund (LAIF).** A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$50 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot to exceed 1/4 of a percent of the earnings.

**Market value.** The price at which the security is trading and could presumably be purchased or sold.

**Maturity Date.** The specified day on which the issuer of a debt security is obligated to repay the principal amount or face value of security.

**Money Market Mutual Fund.** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repurchase agreements and federal funds).

**Par.** Face value or principal value of a bond typically \$1,000 per bond.

**Rate of Return.** The amount of income received from an investment, expressed as a percentage. A *market rate of return* is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

**Treasury Bills.** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes.** Intermediate U.S. government debt securities with maturities of one to 10 years.

**Treasury bonds.** Long-term U.S. government debt securities with maturities of 10 years or longer.

**Yield.** Rate of return on a bond.

**Yield-to-maturity.** Rate of return on a bond taking into account the total annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

### ECONOMIC TERMS

**Conference Board Consumer Confidence Index** A survey that measures how optimistic or pessimistic consumers are with respect to the economy in the near future.

**Consumer Price Index (CPI).** A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.



**Durable Goods Orders.** An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

**Gross Domestic Product.** The monetary value of all the finished goods and services produced within a country's borders in a specific time period. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

**Industrial Production.** An economic indicator that is released monthly by the Federal Reserve Board. The indicator measures the amount of output from the manufacturing, mining, electric and gas industries.

**ISM Institute for Supply Management (ISM) Manufacturing Index.** A monthly index that monitors employment, production inventories, new orders and supplier deliveries.

**ISM Non-manufacturing Index.** An index based on surveys of non-manufacturing firms' purchasing and supply executives. It tracks economic data for the service sector.

**Leading Economic Index.** A monthly index used to predict the direction of the economy's movements in the months to come. The index is made up of 10 economic components, whose changes tend to precede changes in the overall economy.

**National Federation of Independent Business Small Business Optimism Index.** An index based on surveys of small business owners' plans and expectations regarding employment, capital, inventories, economic improvement, credit conditions, expansion, and earnings trends in the near term or future.

**Producer Price Index.** An index that measures the average change over time in the selling prices received by domestic producers for their output.

**University of Michigan Consumer Sentiment Index.** An index that measures the overall health of the economy as determined by consumer opinion. It takes into account an individual's feelings toward his or her own current financial health, the health of the economy in the short term and the prospects for longer term economic growth.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
January 23, 2020

Agenda Item No. 3B  
Consent Calendar

**Blanket Order Contract Increase for Helicopter Maintenance Repair Services**

**Contact(s) for Further Information**

Brian Norton, Division Chief  
Special Operations

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714.573.6761

Tim Perkins, Battalion Chief  
Air Operations Program Manager

[timperkins@ocfa.org](mailto:timperkins@ocfa.org)

714.522.2113

**Summary**

This agenda item is submitted for approval of an increase to Rotorcraft Support Inc. (RSI) blanket order B01820 for the costs associated with major inspection and upgrade projects for Helicopters 3 & 4 and to provide additional contract authority for as-needed helicopter maintenance and repair services.

**Prior Board/Committee Action(s)**

At its March 22, 2018, Executive Committee meeting, the Committee approved a one-time increase to the blanket order with RSI. Additionally, the Committee authorized an extension of the contract for an additional four years.

At its June 28, 2018, Board of Directors meeting, the Board approved the Air Operations Program enhancements, which included an increase to the helicopter parts blanket order with RSI.

**RECOMMENDED ACTION(S)**

1. Approve and authorize the Purchasing Manager to increase the blanket order contract with RSI in the amount of \$204,366 (to a total not to exceed amount of \$1,250,480) for the current contract ending November 30, 2019, to pay for work completed as part of the major inspection services.
2. Approve and authorize the Purchasing Manager to increase the blanket order beginning December 1, 2019, in the amount of \$800,000 (from \$300,000 to \$1,100,000) to cover the major inspection service for Helicopter 4 and the annual as-needed repairs.
3. Approve and authorize the Purchasing Manager to increase the contract value from \$300,000 to \$800,000 annually on the remaining two contract extensions (through November 30, 2023).

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funding is included in the FY 2019/20 budget, specifically in the Air Ops budget. The recommended action will only increase the contract spending authority.

## Background

In August of 2017, RFP JA2226 was issued and sent to 66 registered vendors on Planet Bids with the intent to solicit qualified proposals to provide as-needed helicopter maintenance and repair services for OCFA's Bell helicopters. Following the solicitation process, it was determined that RSI was the number 1 company for such services.

The Air Operations Program is responsible for the maintenance and repair of OCFA's fleet of four helicopters, which are comprised of two Bell 412EP helicopters and two Bell UH-1H "Super Huey" helicopters. These helicopters are on hourly and calendar-based inspection programs. While ongoing maintenance and service requirements are completed by OCFA personnel, many major inspections, maintenance and repair services, overhauls, and modifications for the Bell helicopters that are required on an intermittent and as-needed basis can only be performed by certified vendors with approved facilities and specialized skills. RSI is the only local vendor that is authorized by Bell Helicopter Textron to perform service and maintain the certification for the aircraft.

### ***Major Inspections and Repairs***

Helicopter 3 was sent to RSI in May of 2018 for its 10-year inspection. The inspection and service were expected to take six months and the estimated service amount was between \$250,000 and \$300,000. The inspection and maintenance repair took 18-months and the total cost ended up at \$687,865. One unforeseen contributing factor to the increased cost was the tail boom out of alignment. The additional costs can be covered within the existing air operations maintenance budget. The spending authority for this service was approved by the Board in the FY 2018/19 budget year. There is a remaining invoice amount of \$204,366 due to RSI. Air Operations has the budget and is now requesting contract authority to pay RSI.

	Amounts
Combined Maintenance & Repair BO*	\$ 686,254
Parts Blanket Order	359,860
<b>Available Spending Authority</b>	<b>\$1,046,114</b>
Services Provided by RSI for BO Ending Nov. 30, 2019	\$1,250,480
<b>Spending Authority Balance Needed to Close Out BO</b>	<b>\$ 204,366</b>
<i>*Includes Year 1 and 2 BO Spending Authority Balance as maintenance occurred over a two fiscal year period (18-mos.)</i>	

Helicopter 4 is currently at RSI for its ten-year maintenance and service. The expected completion of this service is July 2020 and the estimated cost is between \$400,000-\$600,000. While Air Operations has the funding in the budget for this service, staff is requesting authority to contract with RSI.

### ***Recommendation***

Staff is requesting a one-time increase of \$204,366 to the blanket order contract with RSI ending November 30, 2019, to pay for work completed. Additionally, staff is requesting approval to increase the blanket order (beginning December 1, 2019) from \$300,000 for the scheduled maintenance services to \$1,100,000 to cover the service for Helicopter 4. Finally, staff is requesting authority to extend the contract for the two remaining years in a not to exceed amount of \$800,000 annually to cover scheduled 2,500-hour maintenance for helicopters 1 and 2, and other repairs.

## Attachment(s)

None.





**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Executive Committee Meeting**  
**January 23, 2020**

**Agenda Item No. 3C**  
**Consent Calendar**

**Increase to Agreement for Engineering and Construction  
Management Services for Expanded OCFA Training Grounds Upgrades**

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**Contact(s) for Further Information**

Jim Ruane, Assistant Chief  
Logistics Department

[jimruane@ocfa.org](mailto:jimruane@ocfa.org)

714.573.6801

Patrick Bauer, Property Manager

[patrickbauer@ocfa.org](mailto:patrickbauer@ocfa.org)

714.573.6471

**Summary**

This agenda item is submitted for approval to increase the professional services agreement to RSSE Structural Engineers, Inc. (RSSE) for expanded engineering and construction management services for the RFOTC Training Grounds Upgrades Project. Upon plan check review and approval by the City of Irvine, the Training Grounds Upgrades Project will be put out for formal bid following OCFA public works protocol.

**Prior Board/Committee Action(s)**

On July 25, 2019, the Executive Committee authorized the award of the professional services agreement and one-time purchase order in the amount of \$160,000 to RSSE for the RFOTC Training Grounds Upgrades project.

**RECOMMENDED ACTION(S)**

Approve and authorize the Purchasing Manager to increase the professional services agreement with RSSE Structural Engineers, Inc., and corresponding one-time purchase order, by \$692,000 to an amount not to exceed \$852,000 for expanded services in support of the RFOTC Training Grounds Upgrade Project.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Initial funding for the Regional Fire Operations and Training Center's (RFOTC) Training Grounds Updates Project has been approved in the adopted FY 2019/20 Capital Improvement Program Budget, specifically in Fund 123 (Fire Stations & Facilities). Additional funding for the upgrade will be requested in the Five-Year Capital Improvement Budget.

**Background**

***Selection of Firm***

On March 7, 2019, Request for Qualifications (RFQ) RO2362 was issued to establish multiple annual contracts for capital improvement and construction related professional services on an as-needed basis. Final qualifications were due April 4, 2019, and 36 proposals were received. RSSE submitted a responsive proposal, was deemed best qualified by staff and, as such, was awarded a professional services agreement for the Training Grounds Upgrade Project, along with as-needed

services. In accordance with California Government Code 4526, the OCFA must select a project management firm “on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.”

Robert Scheibel, a current OCFA reserve firefighter and the President of RSSE, is the Engineer of Record for the RFOTC and training tower. RSSE is the preferred vendor to provide needed professional services and to monitor and ensure that construction services are in accordance with the project plans and specifications. RSSE was the same company that was involved in the original build of the RFOTC training facility and has historical knowledge and the expertise that will help expedite the process.

### ***Project Description***

The current training tower and grounds are in need of significant renovation. The grounds include props that simulate household living areas and businesses commonly found in strip malls that firefighters routinely encounter when battling structure fires. The proposed renovations add an additional training tower in an effort to increase training capacity and better represent more current construction methods occurring throughout Orange County. Due to the need for a larger facility to train current and future firefighters, staff recommends the additional tasks be added to the Statement of Work.

### ***Recommendation***

Staff is recommending approval to authorize the Purchasing Manager to increase the professional services agreement and one-time purchase order with RSSE for expanded engineering and construction management services as follows:

<b>Description</b>	<b>Amount</b>
Task 1: Training Ground Power & Data Infrastructure <i>(Addition of a subcontractor to provide electrical engineering services)</i>	\$25,000
Task 7: New 3-Story Fire Training Structure <i>(Additional design and support services)</i>	\$160,000
Contingency <i>(Additional sub-consultant services as-needed for project design)</i>	\$25,000
North Property Development – West <i>(Design and construction support services)</i>	\$172,000
North Property Development – East <i>(Design and construction support services)</i>	\$310,000
<i>Total Increase for Additional Services</i>	<i>\$692,000</i>
<i>Previous Purchase Order Amount (for Initial Design of Training Grounds):</i>	<i>\$160,000</i>
<b><i>Revised One-Time Purchase Order Total:</i></b>	<b><i>\$852,000</i></b>

### ***Attachment(s)***

Proposed Amendment One

**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AMENDMENT NUMBER ONE TO PROFESSIONAL SERVICES ("Amendment One") is made and entered into this 23<sup>rd</sup> day of January, 2020 by and between the Orange County Fire Authority, a joint powers agency created pursuant to the California Joint Exercise of Powers Act (Gov't Code §§ 6500 *et seq.*) ("OCFA"), and RSSE Structural Engineers, Inc., a corporation ("Firm"). OCFA and Firm are sometimes collectively referred to herein as the "Parties".

**RECITALS**

WHEREAS, OCFA and Firm entered into that certain Professional Services Agreement on the 25<sup>th</sup> day of July, 2019 ("Agreement"), to provide engineering and construction support services, which is incorporated herein by this reference; and

WHEREAS, OCFA and Firm desire to increase the contract amount due to the anticipated provision of additional services.

NOW, THEREFORE, OCFA and Firm mutually agree as follows:

1. Section 3.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

**3.1 Compensation of Firm**

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed in accordance with the terms set forth in Exhibit "A", in an amount not to exceed Eight Hundred Fifty-two Thousand Dollars (\$852,000) for services provided for the Training Grounds Modifications and North Property Development, and up to an additional annual amount not to exceed \$100,000 for as-needed services.

2. Attachment "1" is introduced and attached to this Amendment One to further define the services outlined in Exhibit "A" (Scope of Services) of the Agreement, and is hereby appended to and made a part of the Agreement as Attachment "1" to Exhibit "A" (Scope of Services – Additional Information).

3. Except as modified above, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

4. The persons executing this Amendment One on behalf of the Parties hereto warrant that they are duly authorized to execute this amendment on behalf of said Parties and that by so executing this Amendment One the Parties are formally bound by the provisions of this Amendment One.

IN WITNESS WHEREOF, the Parties have executed this Amendment One as of the dates stated below.

**"OCFA"**

**ORANGE COUNTY FIRE AUTHORITY**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Debbie Casper, C.P.M., CPPB  
Purchasing & Materials Manager

**APPROVED AS TO FORM.**

By:  \_\_\_\_\_

David E. Kendig  
General Counsel

**ATTEST:**

\_\_\_\_\_

Sherry A.F. Wentz  
Clerk of the Board

Date: 1/15/2020 \_\_\_\_\_

**"FIRM"**

**RSSE STRUCTURAL ENGINEERS, INC.**

Date: 1/3/2020 \_\_\_\_\_

By:  \_\_\_\_\_

Robert Scheibel, S.E.  
President



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Executive Committee Meeting**  
**January 23, 2020**

**Agenda Item No. 3D**  
**Consent Calendar**

**Project and Construction Management Services for Fire Station Renovations**  
**Project: Stations 14 & 16 (Silverado) and 32 & 53 (Yorba Linda)**

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**Contact(s) for Further Information**

Jim Ruane, Assistant Chief  
Logistics Department

[jimruane@ocfa.org](mailto:jimruane@ocfa.org)

714.573.6801

Patrick Bauer, Property Manager

[patrickbauer@ocfa.org](mailto:patrickbauer@ocfa.org)

714.573.6471

**Summary**

This agenda item is submitted for approval to increase the professional services agreement with Griffin Structures, Inc. (Griffin Structures) and issue a one-time purchase order for project and construction management services over the course of a two-year period for the planned renovations of OCFA Fire Stations 14 & 16 (Silverado) and Stations 32 & 53 (Yorba Linda).

**Prior Board/Committee Action(s)**

Not Applicable.

**RECOMMENDED ACTION(S)**

1. Approve and authorize the Purchasing Manager to issue a one-time Purchase Order in the amount of \$285,000 for OCFA Renovations Project: Stations 14, 16, 32, and 53.
2. Approve and authorize the Purchasing Manager to increase the professional services agreement with Griffin Structures by \$150,000 to an amount not to exceed \$250,000 annually.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funding for the station renovation project has been approved in the Adopted FY 2019/20 Capital Improvement Program (CIP) Budget, specifically in Fund 12110 General Fund CIP.

**Background**

***Project Description***

The Fire Station Renovations Project includes preconstruction and construction management services for renovations of bathroom facilities and dormitory privacy to four separate stations (Stations 14, 16, 32, and 53). It is estimated that total preconstruction will have a duration of approximately 10 months. Additionally, we anticipate the total duration of construction to last a total of 12 months. Though the scope of this project is limited due to phasing constraints and the need to minimize disruption of the occupant, it is believed that at least two of the projects (Station 32 and 53) will require extensive phasing, which will in turn prolong the schedule.

Also, in support of OCFA's Inclusive Facilities project, Griffin Structures and other pre-qualified external Project Engineers, will work with OCFA's Logistics and Operations staff to conduct a

comprehensive study targeted at improving OCFA's inclusive environment. The project team will survey existing fire station facilities and develop recommendations and options for scope, cost and sequencing for fire station modifications.

### ***Selection of Firm***

On March 7, 2019, Request for Qualifications (RFQ) RO2362 was issued to establish multiple annual contracts for capital improvement and construction related professional services on an as-needed basis. Final qualifications were due April 4, 2019, and 36 proposals were received. Griffin Structures submitted a responsive proposal, was deemed qualified by staff and, as such, was awarded a professional services agreement for as-needed services. In accordance with California Government Code 4526, the OCFA must select a project management firm "on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required."

Griffin Structures is the preferred vendor to provide needed professional services and to monitor and ensure that construction services are in accordance with the project plans and specifications. Griffin Structure has extensive experience running numerous public construction projects and has served as project manager of fire stations 37 in Tustin and 61 in Buena Park.

### ***Recommendation***

Staff is recommending approval to authorize the Purchasing Manager to increase the professional services agreement and issue a one-time Purchase Order with Griffin Structures for project and construction management services as follows:

<b>Project Description</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>
<b>Fire Station Renovations – Silverado &amp; Yorba Linda</b>			
<i>Project Management Hours</i>	\$52,650	\$153,265	\$63,245
<i>Reimbursable Costs</i>	\$5,280	\$5,280	\$5,280
<b><i>Project Total</i></b>	<b>\$57,930</b>	<b>\$158,545</b>	<b>\$68,525</b>
<b>Total Purchase Order Amount (<i>expended over three fiscal years</i>):</b>			<b>\$285,000</b>
<b>Contract Funds Available for Inclusive Facilities Project</b>			
<i>Fire Station Facility Study</i>	\$192,070	\$91,455	\$181,475
<b>Total Annual Agreement Not to Exceed:</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>

### ***Attachment(s)***

1. Proposed Amendment One
2. Griffin Structures Fee Proposal



**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AMENDMENT NUMBER ONE TO PROFESSIONAL SERVICES ("Amendment One") is made and entered into this 23<sup>rd</sup> day of January, 2020 by and between the Orange County Fire Authority, a joint powers agency created pursuant to the California Joint Exercise of Powers Act (Gov't Code §§ 6500 *et seq.*) ("OCFA"), and Griffin Structures, Inc., a corporation ("Firm"). OCFA and Firm are sometimes collectively referred to herein as the "Parties".

**RECITALS**

WHEREAS, OCFA and Firm entered into that certain Professional Services Agreement on the 27<sup>th</sup> day of August, 2019 ("Agreement"), to provide construction project management services on an as-needed basis, which is incorporated herein by this reference; and

WHEREAS, OCFA and Firm desire to increase the contract amount due to the anticipated provision of additional services.

NOW, THEREFORE, OCFA and Firm mutually agree as follows:

1. Section 3.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

**3.1 Compensation of Firm**

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed in accordance with the terms set forth in Exhibit "A", in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) annually. Notwithstanding any provisions to the contrary, OCFA shall Firm only for services rendered deemed to be necessary by Firm and approved by OCFA. These Services shall be identified with particularity in writing and executed by both Firm and OCFA prior to payment.

Included within the compensation are all of Firm's ordinary office and overhead expenses, its agent's and employee's compensation, meetings with OCFA representatives, and incidental costs to perform the stipulated Services.

2. Except as modified above, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

3. The persons executing this Amendment One on behalf of the Parties hereto warrant that they are duly authorized to execute this amendment on behalf of said Parties

and that by so executing this Amendment One the Parties are formally bound by the provisions of this Amendment One.

IN WITNESS WHEREOF, the Parties have executed this Amendment One as of the dates stated below.

**"OCFA"**

**ORANGE COUNTY FIRE AUTHORITY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Debbie Casper, C.P.M., CPPB  
Purchasing & Materials Manager

**"FIRM"**

**GRIFFIN STRUCTURES, INC.**

Date: 01/07/2020

By:  \_\_\_\_\_  
Jon Hughes, CCM  
VP, Director of Operations

Date: 01/07/2020

By:  \_\_\_\_\_  
Roger Torriero  
CEO



## GRIFFIN STRUCTURES FEE PROPOSAL

### OCFA RENOVATIONS PROJECT: STATIONS 14, 16, 32, 53 ORANGE COUNTY FIRE AUTHORITY

12/06/19

Griffin Structures' Fee Proposal is based on all reasonable costs necessary to perform Preconstruction and Construction Management services for the OCFA Renovations Project, Stations 14, 16, 32, 53. For these requisite services, Griffin Structures proposes the following Time & Materials Not to Exceed Fee:

Preconstruction and Construction Management:	\$	269,160
Reimbursable Costs:	\$	15,840
<b>Total</b>	<b>\$</b>	<b>285,000</b>

All proposed hourly rates are fully burdened and include overhead, profit, taxes, and benefits. The hours identified for each individual employee and task are estimates only and are not to be construed as not to exceed hours for any individual task, phase, or time-period. **We reserve the right to reallocate hours between staff members and tasks to accomplish the overall objectives and requirements of the project.**

Services are based on the attached Fee Schedule and Resource Allocation Schedule, which provides detail on the allocation of hours. Any extension of the schedule or services may result in additional fee, in good faith negotiation with the OCFA.

## APPROACH TO FEE AND PROJECT SCOPE

Griffin Structures understands this project to include Preconstruction and Construction Management Services for renovations to 4 separate stations (Stations 14, 16, 32, 53). This proposal assumed a total Preconstruction duration of 10 months, beginning in January of 2020. Additionally, we anticipate the total duration of Construction to last a total of 12 months. Though the scope of this project is limited, due to phasing constraints and the need to avoid disruption of the occupant, we believe that at least 2 of these projects (stations 32 and 53) will require extensive phasing, which will in turn prolong the schedule. For a more detailed description of our anticipated schedule please see the attached Resource Allocation Schedule. As a means of mitigating this extended schedule and maximize value to the OCFA we have included the following staffing approach:

Jon Hughes: will serve as project executive and will lead the Preconstruction effort. In this capacity Jon will oversee the procurement of the design team, provide design management, facilitate design coordination with the OCFA, manage Contractor bidding, and provide as needed services as requested by the OCFA. To perform these services we have allocated approximately 8 hours per week (45 hours per month) for the duration of the Preconstruction period, which results in a total of 450 hours of Jon's time.

During Construction, we anticipate Jon to provide a more supportive role with in an hourly allocation of roughly 4 hours per month, resulting in a total allocation of 48 hours.

Tom Ottenstein and Justin DiRico: will serve as Construction Managers for the projects once construction begins. We anticipate Tom leading the effort for Stations 14 and 16, and Justin overseeing Stations 32 and 53. As circumstances allow, we may elect to have all the projects managed by either Justin or Tom, but for the sake of forecasting we now anticipate splitting the effort between the 2.

Nevertheless, we anticipate the Construction phase of these projects to require a total of 70 hours per month for the total duration of construction. This results in a total hourly allocation of 885 hours of construction management time.

We have also included one month for Project Closeout with an hourly allocation total of 45 hours for the month of September 2021.

## **QUALIFICATIONS AND EXCLUSIONS**

1. Hourly rates are valid through December 2021 and will escalate by CPI annually thereafter.
2. Insurance costs are included as a reimbursable expense and will be billed monthly at the rate of \$8 per \$1,000.
3. On-site trailer rental, furniture, utilities, and sanitary facilities for our field staff (Project Management team) are excluded. We assume that offices will be provided as part of the construction site trailer(s) being provided by the OCFA's contractor.
4. Costs for all permits required for the project are excluded. It is assumed that the OCFA will pay for all permitting fees, assessments, easements, school fees, and other agency or governmental fees or costs to support the design and construction the project. We have not included any permit related fees within our fee proposal.
5. At no cost to the Owner, and subject to Internal Revenue Code 179D, (Deduction for Energy Efficient Commercial Buildings) Owner agrees to allocate any applicable tax deductions to construction manager (Griffin Structures) as may be relevant to 'public entity' projects.
6. Costs for surveying, construction staking, environmental and hazardous materials surveys, and all remediation costs are excluded
7. Software licenses or user fees for specific project management software being required by either the OCFA or their contractor(s) is excluded.
8. Cost of bulk blueprinting for plans and specifications for use by the contractors and subcontractors is excluded. Funds included in reimbursable expenses are for Griffin printing costs alone.
9. Wage Compliance Program including Certified Payroll auditing, field interviews, or reporting is excluded. Based on State Law SB 854, it is assumed that the Dept. of Industrial Relations (DIR) will manage this effort at the State level. Griffin will enforce the Contractor registration requirements stipulated by the DIR.
10. Independent or third-party testing companies such as Roofing, Peer Reviews, LEED, or other specialized third-party oversight services other than those listed herein are excluded.
11. Commissioning requirements required by Cal Green (Title 24) are excluded. Griffin will manage the commissioning process, but we have not included a commissioning agent, nor development of

commissioning specifications. Cost for providing a commissioning agent is listed as an Add Alternate Allowance.

12. No FF&E or OS&E is included in this proposal.
13. 24-hour surveillance is excluded.
14. Construction Manager will review all RFI's, Submittals, and Substitutions for completeness, approvals to be executed by the designer of record.
15. For document tracking control, Griffin has included the use of "Submittal Exchange" for managing construction documentation, and based the hours allocated in this proposal accordingly. The cost of "Submittal Exchange" is included here as a reimbursable expense.
16. This proposal does not include a formal independent Inspector of Record (IOR). All City Building Dept. Permit Inspections are assumed to be performed by the City Building Dept.
17. Construction Cost Estimates, when provided, are based on standard industry practice, professional experience and knowledge of market conditions. Griffin has no control over material and labor costs, contractor's methods of establishing prices or the market and bidding conditions at the time of bid. Therefore, Griffin does not guarantee that bids received will not vary from the cost estimate provided.





**OCFA Renovations Project:  
Stations 14, 16, 32, 53  
Fee Proposal**

Item No.	PROJECT PHASE	PROJECT EXECUTIVE	CONSTRUCTION MANAGEMENT
		Jon Hughes \$195/hr.	Justin DiRico and/or Tom Ottenstein \$185/hr.
<b>1</b>	<b>PRECONSTRUCTION SERVICES</b>	<b>450</b>	<b>45</b>
1.1	Design Solicitation	Incl.	Incl.
1.2	Design Management	Incl.	Incl.
1.3	Chair Design Meetings	Incl.	Incl.
1.4	Stakeholder Coordination	Incl.	Incl.
1.5	Develop Master Schedule	Incl.	Incl.
1.6	Develop Master Budget	Incl.	Incl.
1.7	Special Inspections and Testing Procurement	Incl.	Incl.
1.8	Commissioning Procurement	Incl.	Incl.
1.9	Utilities Coordination	Incl.	Incl.
1.10	OCFA Coordination	Incl.	Incl.
1.11	General Contractor Bidding	Incl.	Incl.
1.12	General Contractor Bid Review & Recommendation	Incl.	Incl.
<b>2</b>	<b>CONSTRUCTION MANAGEMENT SERVICES</b>	<b>48</b>	<b>885</b>
2.1	Preconstruction Meetings	Incl.	Incl.
2.2	Weekly Construction Meetings & Meeting Minutes	Incl.	Incl.
2.3	Quality Assurance Inspections	Incl.	Incl.
2.4	Document Control	Incl.	Incl.
2.5	RFI and Submittal Oversight	Incl.	Incl.
2.6	Issues Resolution	Incl.	Incl.
2.7	Change Order Reviews and Recommendations	Incl.	Incl.
2.8	Contractor Invoicing	Incl.	Incl.
2.9	Coordination with Public Agencies	Incl.	Incl.
2.10	Constructor Schedule Oversight	Incl.	Incl.
2.11	Punch List Oversight	Incl.	Incl.
2.12	O&M Turnover	Incl.	Incl.
2.13	As Built Document Control	Incl.	Incl.
2.14	As Need Support per the Direction of OCFA	Incl.	Incl.
	<b>Total Hours</b>	<b>498</b>	<b>930</b>
	<b>Subtotals</b>	<b>\$97,110</b>	<b>\$172,050</b>
	<b>PROJECT / CONSTRUCTION MANAGEMENT TOTAL</b>		<b>\$269,160</b>
<b>3</b>	<b>REIMBURSABLE EXPENSES</b>		<b>\$15,840</b>
3.1	Insurance		\$2,140
3.2	Document Management System (Submittal Exchange)		\$11,500
3.3	Misc. Office Supplies		\$2,200
	<b>GRAND TOTAL</b>		<b>\$285,000</b>



OCFA Renovations Project  
Stations 14, 16, 32, 53  
Resource Allocation Schedule

PROJECT PHASE	2020												2021												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
PRECONSTRUCTION																									
Desgn Solicitation																									
Design Stations 14 and 16																									
Permitting Stations 14 and 16																									
Contractor Bidding 14 and 16																									
Design Stations 32 and 53																									
Permitting Stations 32 and 53																									
Contractor Bidding 32 and 53																									
CONSTRUCTION AND CLOSEOUT																									
Construction Station 14																									
Construction Station 16																									
Construction Station 32																									
Construction Station 53																									
Project Closeout																									
MONTHLY STAFFING HOURS																									
Project Executive	45	45	45	45	45	45	45	45	45	45	4	4	4	4	4	4	4	4	4	4	4	4			
Construction Management										45	70	70	70	70	70	70	70	70	70	70	70	70	45		
TOTALS																									
Project Executive	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ -	\$ -	\$ 97,110
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,325	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 8,325	\$ -	\$ 172,050
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 17,100	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 13,730	\$ 8,325	\$ -	\$ 269,160



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Executive Committee Meeting**  
**January 23, 2020**

**Agenda Item No. 3E**  
**Consent Calendar**

**Blanket Order Contract Increase for General Counsel Services**

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**Contact(s) for Further Information**

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**Summary**

This item is submitted for approval to increase the blanket order with Woodruff Spradlin & Smart (WSS) for on-going General Counsel services for the remainder of the contract year.

**Prior Board/Committee Action**

At the Executive Committee meeting of January 15, 2015, the Committee directed staff to continue utilizing services provided by WSS, and approved a new contract term of March 1, 2015, to February 28, 2016, and an additional three years through February 28, 2019.

At its January 24, 2019, meeting the Executive Committee approved a contract renewal and rate adjustment (from \$190 to \$215/hour) for General Counsel services through March 1, 2021, in an amount of \$525,000, with annual increases due to usage not to exceed 3%.

**RECOMMENDED ACTION(S)**

1. Approve and authorize the Purchasing Manager to increase Blanket Order 1267 with Woodruff Spradlin & Smart by \$146,610 for a total not to exceed \$671,610, to cover legal costs for the remainder of the contract year (through February 29, 2020).
2. Approve and authorize the Purchasing Manager to establish the new Blanket Order (beginning March 1, 2020) in a not to exceed amount of \$675,000.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funds for legal services are currently budgeted at \$525,000 per year and staff has previously requested adjustments to the budget, when needed. Legal services costs for the current contract period are anticipated to exceed the previously approved spending limits primarily due to a higher volume of pass-through legal services. Therefore, a blanket order increase of \$146,610 is needed for the remainder of the contract period (through February 29, 2020). A corresponding budget adjustment will be included in the Mid-year Budget Review and submitted to the Board in March 2020.

## **Background**

The Amended OCFA Joint Powers Agreement states that “the Board shall appoint general counsel and special counsel to the Authority to serve as necessary.” Following completion of a Request for Proposal process in 1995, the Board of Directors approved an Agreement for Legal Services with Rourke, Woodruff and Spradlin (now known as Woodruff Spradlin & Smart or WSS). Within the agreement, contract terms were established for hourly rates; however, there were no annual contract limits established and no fixed contract duration. In 2011 and 2015, the agreement was modified with approval of the Board of Directors.

Since 1995, the annual cost of the contract has varied over the years, based on the differing levels of activity that have required input from General Counsel and input from other members of WSS legal staff for specialty services. In some cases, WSS will facilitate the hiring of special counsel for the OCFA, oversee the work performed, and issue payment to special counsel on behalf of the OCFA. When this occurs, WSS passes-through the costs for special counsel in the WSS invoices that are sent to OCFA.

This contract year, the OCFA experienced an increase in activities requiring legal guidance, and as a result there was a corresponding increase in annual pass-through legal costs. Annual costs for WSS services (including the pass-through costs) were anticipated to not exceed \$525,000 for the March 2019 through February of 2020 contract period. Based on legal service needs and trends, staff is estimating that total legal costs will amount to \$671,610 for the current contract period. Therefore, staff is requesting approval to increase the current blanket order by \$146,610 to fund the remaining contract period.

It should be noted that the OCFA incurs costs for legal services, in addition to the amounts paid to WSS, when outside counsel is retained directly by the OCFA for specialty services, separate from WSS. Specialty legal services have included primarily employee-related investigations.

In reviewing costs associated with WSS services, combined with costs for specialty legal services, it appears that a large portion of the OCFA’s legal costs relate to personnel and labor-related specialties. Typically these personnel issues are address internally with Human Resources Department staff, however, given the number of vacancies and in particular within the Employee Relations section, it was necessary to seek external resources to assist in addressing these personnel matters.

## **Attachment(s)**

None.