



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## BUDGET AND FINANCE COMMITTEE REGULAR MEETING

Wednesday, November 8, 2023  
12:00 Noon

Orange County Fire Authority  
Regional Fire Operations and Training Center  
Classroom 1  
1 Fire Authority Road  
Irvine, California 92602

### Committee Members

John O'Neill, Chair • Troy Bourne, Vice Chair  
Shelley Hasselbrink • Gene Hernandez • Austin Lumbard  
Vince Rossini • John Gabbard • Nitesh Patel • Chi Charlie Nguyen  
Jennifer Cervantez, Ex Officio

### NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

This meeting is open to the public. Committee members will participate in person. There are several alternative ways to make comments including:

**In Person Comments at Meeting:** Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

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

If you wish to speak, 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 the item being considered. Speaker Forms are available at the entryway of the meeting location.

**E-Comments:** Alternatively, you may email your written comments to [coa@ocfa.org](mailto:coa@ocfa.org). E-comments will be provided to the Committee members upon receipt and will be part of the meeting record as long as they are received during or before the Committee takes action on an item. Emails related to an item that are received after the item has been acted upon by the Committee will not be considered.

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 Committee members 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 the 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> under Board & Committee Agendas/Minutes.



In compliance with the Americans with Disabilities Act and [Board of Directors policy](#), if you need reasonable accommodations to participate in this meeting, please complete the [ADA Reasonable Accommodation Form](#) available on the Agency's website and email to [COA@ocfa.org](mailto:COA@ocfa.org), or you may contact the Clerk of the Authority at (714) 573-6040 during regular business hours to submit your request orally. Please notify us at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

**CALL TO ORDER** - Chair O'Neill

**PLEDGE OF ALLEGIANCE** - Director Gabbard

**ROLL CALL** - Clerk of the Authority

**PUBLIC COMMENTS**

**Please refer to instructions on how to submit a public comment on Page 1 of this Agenda.**

**1. PRESENTATION**

No items.

**2. CONSENT CALENDAR**

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

**A. Minutes for the Budget and Finance Committee Meeting**

Submitted by: Maria D. Huizar, Clerk of the Authority

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Recommended Action:

Approve the Minutes for the October 17, 2023, Special Meeting as submitted.

**B. Monthly Investment Reports**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer/Treasury & Financial Planning and James Slobojan, Assistant Treasurer/Treasury & Financial Planning

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

**C. First Quarter Financial Newsletter**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer/Treasury & Financial Planning and Stuart Lam, Budget Manager/Treasury & Financial Planning

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**D. First Quarter Purchasing Report**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Sara Kennedy, Purchasing Division Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**E. Updated Cost Reimbursement Equipment Rates**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Gina Cheung, Accounting Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors approve and adopt the proposed Cost Reimbursement Equipment Rate schedule to be effective October 1, 2023 per Cal OES and FEMA.

**F. Organizational Service Level Assessment Update**

Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau and Robert Cortez, Assistant Chief/Business Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the Organizational Service Level Assessment (SLA) update.

**G. Approval of Annual Statement of Investment Policy, Broker/Dealer List and Investment Authorization**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Tricia Jakubiak, Treasurer/Treasury & Financial Planning

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2024.
2. Review and approve the Broker/Dealer list for a term of three years through November 30, 2026.
3. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2024.

### 3. DISCUSSION CALENDAR

#### A. Audited Financial Reports for the Fiscal Year Ended June 30, 2023

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Gina Cheung, Accounting Manager and Tammie Pickens, General Accounting Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation, and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

#### B. Quick Reaction Force (QRF) Program

Submitted by: Brian Fennessy, Fire Chief and Tim Perkins, Assistant Chief/South Operations

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve the Funding Agreement with Southern California Edison in the attached form to accept funding in the amount of \$16,007,672 to fund the fixed-cost portion of the 365-day 2024 Quick Reaction Force Program, with the option to renew for the 2025 Program year (pending SCE funding for 2025).
2. Approve and authorize the Purchasing Manager to enter into new QRF-related vendor contracts, in the forms attached by the individual amounts needed in support of the QRF Program so long as the aggregate value does not exceed the program budget (see table).
3. Approve and authorize a FY 2023/24 General Fund (121) budget adjustment to recognize 2024 Program funding from SCE for a revenue increase of \$16,007,672 and to increase appropriations by the same amount. The 2025 Program funding will be reflected in the 2024-25 budget if SCE exercises the option to renew funding.
4. Approve the updated Cost Reimbursement Rate schedule to include the CH-47 Very Large Helitanker, S-61 Helitanker, and S-76 Helitanker daily stand-by and hourly flight rates, and mobile fire-retardant plant daily stand-by and hourly rates, and hourly rates for Program Manager and Air Tactical Group Supervisors to be effective January 1, 2024.
5. Adopt an exemption from the California Environmental Quality Act (CEQA) pursuant to Title 14, California Code of Regulations, Section 15301 (Existing Facilities) and direct staff to file a Notice of Exemption.
6. Authorize the Fire Chief to approve non-substantive changes to the Agreements in items 1, 2 and 3 above, provided such changes are consistent with the purpose of the program described herein, do not increase the total cost of the program in either program year, and are in a form approved by General Counsel.

#### C. Prefunding of CIP Projects Policy Review Process – Review of CIP Sample Policies and Best Practices

Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau and Robert Cortez, Assistant Chief/Business Services Department

Recommended Action:

Receive and file a review of CIP Sample Policies and Best Practices.

**REPORTS**

None.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next meeting of the Budget and Finance Committee is scheduled for Wednesday, January 10, 2024, at 12:00 noon.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

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Maria D. Huizar, CMC  
Clerk of the Authority

**FUTURE B&FC AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- Monthly Investment Report
- Prefunding of CIP Projects Policy Development
- Mid-Year Financial Review
- Annual Long-Term Liability Report
- Security Services Contract

**UPCOMING MEETINGS:**

Operations Committee  
Executive Committee  
Board of Directors

Tuesday, November 14, 2023, 12 noon  
Thursday, November 16, 2023, 5:30 p.m.  
Thursday, November 16, 2023, 6:00 p.m.

# MINUTES

## ORANGE COUNTY FIRE AUTHORITY

**Budget and Finance Committee Special Meeting**  
**Tuesday, October 17, 2023**  
**12 noon**

**Regional Fire Operations and Training Center**  
**Classroom One**  
1 Fire Authority Road  
Irvine, CA 92602

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### CALL TO ORDER

A special meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on October 17, 2023, at 12 noon by Chair O'Neill.

### PLEDGE OF ALLEGIANCE

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

### ROLL CALL

**Present:** John O'Neill, Garden Grove, Chair  
Gene Hernandez, Yorba Linda  
Austin Lombard, Tustin  
Chi Charlie Nguyen, Westminster  
Nitesh Patel, La Palma  
Vince Rossini, Villa Park

**Absent:** Troy Bourne, San Juan Capistrano  
John Gabbard, Dana Point  
Shelley Hasselbrink, Los Alamitos

### Staff present:

Deputy Chief Lori Zeller	Assistant Chief Robert Cortez
Assistant Chief Jim Ruane	Assistant Chief Lori Smith
Assistant Chief Shane Sherwood	Assistant Chief Rob Capobianco
Assistant Chief Tim Perkins	Director of Communications Matt Olson
General Counsel David Kendig	Clerk of the Authority Maria D. Huizar
Ex-Officio Member Jennifer Cervantez	

### PUBLIC COMMENTS

None.

## **1. PRESENTATION**

No items.

## **2. CONSENT CALENDAR**

On motion of Director Hernandez and second by Director Rossini, approved unanimously 6-0 Agenda Item Nos. 2A-2C (Directors Bourne, Gabbard, and Hasselbrink absent).

### **A. Minutes for the Budget and Finance Committee Meeting (FILE 12.02B2)**

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Action: Approve the Minutes for the September 13, 2023, Regular Meeting as submitted.

### **B. Monthly Investment Reports (FILE 11.10D2)**

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of October 26, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

### **C. FY 2022 Grant for All Hazard-All Risks Regional Training and Hazardous Materials Support Vehicle (FILE 19.07B)**

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of October 26, 2023, with the Budget and Finance Committee's recommendation that the Board approve a Budget Adjustment in Fund 121 to increase revenue and expenditures by \$460,563.64 for the grant program award.

## **3. DISCUSSION CALENDAR**

### **A. Prefunding of CIP Projects Policy Review Process – Review of OCFA Operating and CIP Funding Mechanism (FILE 11.13A)**

Assistant Chief Cortez provided a PowerPoint presentation of the Prefunding of CIP Projects Policy Review Process – Review of OCFA Operating and CIP Funding Mechanism.

On motion of Director Lumbard and second by Director Patel, approved unanimously 6-0 (Directors Bourne, Gabbard, and Hasselbrink absent) to receive and file a review of OCFA Operating and CIP Funding Mechanism.

**REPORTS**

None.

**COMMITTEE MEMBER COMMENTS**

None.

**ADJOURNMENT** – Chair O’Neill adjourned the meeting at 12:23 p.m. The next meeting of the Budget and Finance Committee is scheduled for Wednesday, November 8, 2023, at 12:00 noon.

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Maria D. Huizar, CMC  
Clerk of the Authority





Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 8, 2023**

**Agenda Item No. 2B**  
**Consent Calendar**

**Monthly Investment Reports**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief [robertcortez@ocfa.org](mailto:robertcortez@ocfa.org) 714.573.6012  
Business Services Department

Tricia Jakubiak, Treasurer [triciajakubiak@ocfa.org](mailto:triciajakubiak@ocfa.org) 714.573.6301  
Treasury & Financial Planning

James Slobojan, Assistant Treasurer [james.slobojan@ocfa.org](mailto:james.slobojan@ocfa.org) 714.573.6305  
Treasury & Financial Planning

**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**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Attached is the final monthly investment report for the month ended September 30, 2023. A preliminary investment report as of October 20, 2023, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

Final Investment Report – September 2023/Preliminary Report – October 2023

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – September 2023*

*Preliminary Report – October 2023*



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

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***Orange County Fire Authority***

***Final Investment Report***

***September 30, 2023***



**EXECUTIVE SUMMARY**

***Portfolio Activity & Earnings***

During the month of September 2023, the size of the portfolio decreased by \$22 million to approximately \$189 million. Receipts for the month totaled \$28.4 million, including property tax apportionment payments totaling \$4 million, receipts from cash contract payments totaling \$21.9 million, and various grant reimbursement payments and charges for current services totaling approximately \$2.4 million. Total September cash outflows amounted to nearly \$50.8 million. Significant disbursements for the month included three biweekly payrolls (instead of the typical two) and related benefits totaling approximately \$45.7 million. The portfolio's balance is expected to decrease in October as expenditures will exceed projected receipts. In September, the portfolio's yield to maturity (365-day equivalent) increased by sixteen basis points to 3.40%. The effective rate of return decreased by 5 basis points to 3.17% for the month, while the average maturity of the portfolio decreased by 5 days to 43 days to maturity.

***Economic News***

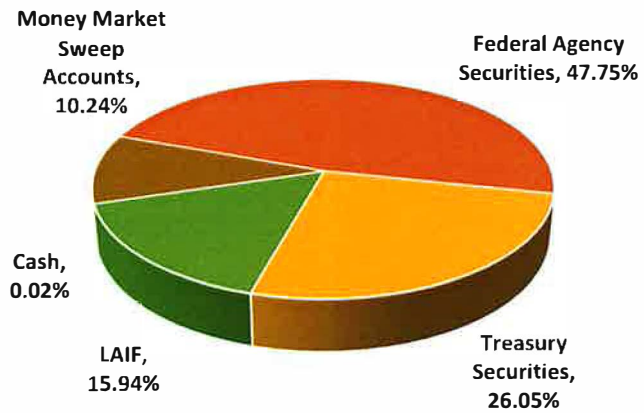
Nonfarm payroll employment increased 336,000 in September 2023, and the unemployment rate held steady at 3.8%. Average hourly earnings rose 4.2% over last year. Retail sales increased 0.7% in September, and up 3.8% on a year-over-year basis. Consumer spending was led by sales at gasoline stations and elevated gas prices, followed by auto sales and parts and online shopping. This was the sixth consecutive month in which consumer spending has increased despite a decline in U.S. consumer confidence. Consumers remain concerned with rising prices in groceries and gasoline along with rising interest rates. The Consumer Price Index (CPI) rose 0.4% in September and 3.7% over last year. More than half of the increase is attributed to shelter followed by gasoline prices. The Producer Price Index (PPI), which measures the prices paid by wholesalers, increased 0.5% in September and 2.2% for the year. PPI is considered a forward-looking inflation measure as it tracks prices in the pipeline for goods and services that eventually reach consumers.

In September, housing starts were up 7.0% while building permits, a leading indicator for housing starts, were down 4.4%, a sign of potential weakness approaching. Mortgage demand fell to the lowest level in 28 years while interest rates climbed to a 23-year high, impacting home sales that are now on pace for their lowest volume since the 2008 foreclosure crisis. Our current economy has seen a slowdown in home sales for the past year due to high interest rates, low inventory and home prices which remain high combined with a limited inventory of homes for sale. The Federal Reserve met on September 20<sup>th</sup> and held rates steady with the target interest rate remaining at 5.25% - 5.50%. Fed Chairman Powell recently reiterated the central bank's resolute commitment to the 2% inflation mandate. They will meet next on November 1, 2023.

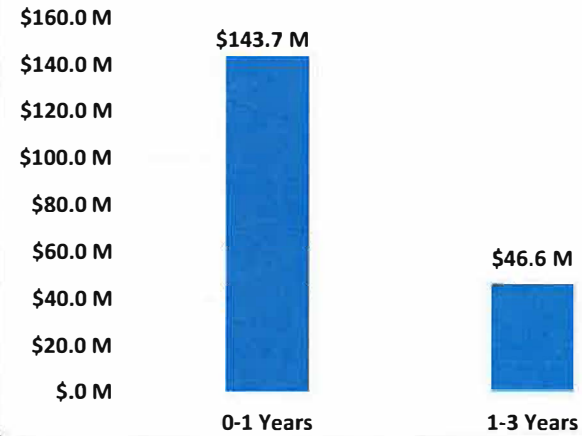


OCFA'S PORTFOLIO HAS AMPLE LIQUIDITY AS OF SEPTEMBER 30, 2023

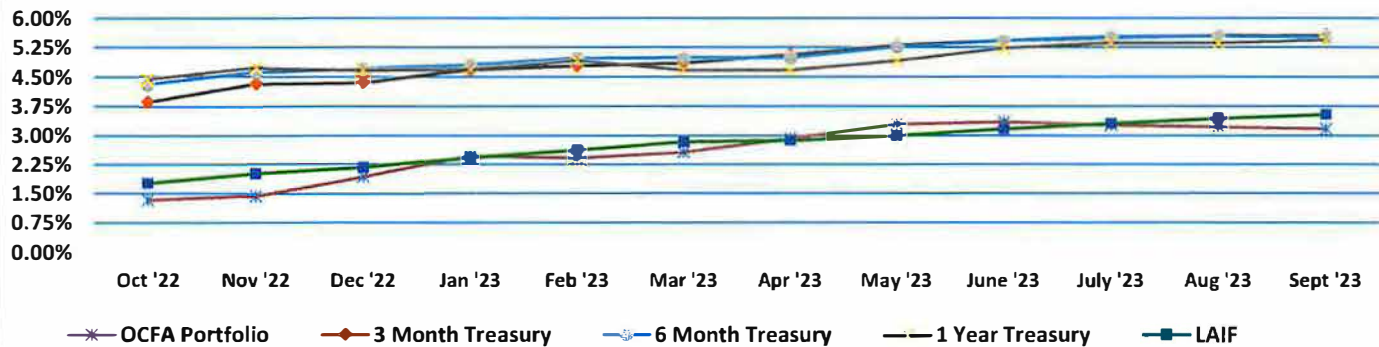
Market Value \$190,362,199



Aging Summary



12 Month Benchmarks





**BENCHMARK COMPARISON AS OF SEPTEMBER 30, 2023**

3 Month T-Bill:	5.56%	1 Year T-Bill:	5.44%
6 Month T-Bill:	5.51%	LAIF:	3.53%
OCFA Portfolio:	3.17%		

**PORTFOLIO SIZE, YIELD, & DURATION**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value	\$189,321,437	\$211,353,381	\$140,719,078
Yield to Maturity (365 day)	3.40%	3.24%	1.29%
Effective Rate of Return	3.17	3.22%	1.15%
Days to Maturity	43	48	17



**ORANGE COUNTY FIRE AUTHORITY  
Portfolio Management  
Portfolio Summary  
September 30, 2023**

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

Investments	Par Value	Market Value	See Note 1 on page 10		See Note 2 on page 10		YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
			Book Value	% of Portfolio	Term	Days to Mat./Call		
Money Mkt Mutual Funds/Cash	19,526,955.97	19,526,955.97	19,526,955.97	10.02	1	1	5.038	5.108
Federal Agency Coupon Securities	67,450,000.00	63,382,351.15	67,451,094.51	34.62	1,384	28	0.628	0.636
Federal Agency Disc. -Amortizing	28,000,000.00	27,502,860.00	27,481,961.12	14.11	248	128	5.201	5.274
Treasury Discounts -Amortizing	50,000,000.00	49,589,480.00	49,592,377.25	25.46	146	57	5.293	5.366
Local Agency Investment Funds	30,753,000.49	30,331,922.38	30,753,000.49	15.79	1	1	3.486	3.534
<b>Investments</b>	<b>195,729,956.46</b>	<b>190,333,569.50</b>	<b>194,805,389.34</b>	<b>100.00%</b>	<b>551</b>	<b>43</b>	<b>3.354</b>	<b>3.400</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	28,630.36	28,630.36	28,630.36		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>195,758,586.82</b>	<b>190,362,199.86</b>	<b>194,834,019.70</b>		<b>551</b>	<b>43</b>	<b>3.354</b>	<b>3.400</b>

	September 30 Month Ending	Fiscal Year To Date
<b>Total Earnings</b>		
Current Year	526,478.80	1,849,881.26
<b>Average Daily Balance</b>	<b>202,379,791.34</b>	<b>226,716,839.08</b>
<b>Effective Rate of Return</b>	<b>3.17%</b>	<b>3.24%</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, 2023. 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

10/6/23

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 194,834,019.70
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ (5,512,582.65)
<b>Total</b>	<b>\$ 189,321,437.05</b>



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**September 30, 2023**

See Note 1 on page 10

See Note 2 on page 10

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/Call 365 Mat./Call	Days to Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>										
SYS1042	1042	US Bank - Treasury Obligations			11,290,145.42	11,290,145.42	11,290,145.42	5.228	5.228	1
SYS528	528	MUFG Treasury Obligations		07/01/2023	0.00	0.00	0.00	4.620	4.620	1
SYS530	530	US Bancorp Sweep Account			8,236,810.55	8,236,810.55	8,236,810.55	4.945	4.945	1
<b>Subtotal and Average</b>			<b>18,990,734.76</b>		<b>19,526,955.97</b>	<b>19,526,955.97</b>	<b>19,526,955.97</b>		<b>5.108</b>	<b>1</b>
<b>Federal Agency Coupon Securities</b>										
3133EMWH1	1030	Federal Farm Credit Bank (Callable 10/21/2023)		04/22/2021	3,000,000.00	2,793,990.00	3,001,094.51	0.710	0.672	20 04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,152,080.00	12,000,000.00	0.720	0.720	0 04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 12/30/2023)		03/30/2021	8,000,000.00	7,611,120.00	8,000,000.00	0.550	0.550	90 09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 10/08/2023)		04/22/2021	9,435,000.00	9,183,557.25	9,435,000.00	0.375	0.375	7 04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 10/23/2023)		04/23/2021	11,015,000.00	10,445,083.90	11,015,000.00	0.520	0.520	22 10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2023)		04/29/2021	12,000,000.00	10,796,760.00	12,000,000.00	1.000	1.000	28 04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 11/11/2023)		05/11/2021	12,000,000.00	11,399,760.00	12,000,000.00	0.550	0.550	41 10/11/2024
<b>Subtotal and Average</b>			<b>77,251,122.85</b>		<b>67,450,000.00</b>	<b>63,382,351.15</b>	<b>67,451,094.51</b>		<b>0.636</b>	<b>28</b>
<b>Federal Agency Disc. -Amortizing</b>										
313384MW6	1080	Fed Home Loan Bank		04/20/2023	14,000,000.00	13,980,120.00	13,979,252.78	4.850	5.106	11 10/12/2023
313384XV6	1095	Fed Home Loan Bank		07/20/2023	14,000,000.00	13,522,740.00	13,502,708.34	5.115	5.447	250 06/07/2024
<b>Subtotal and Average</b>			<b>27,425,769.59</b>		<b>28,000,000.00</b>	<b>27,502,860.00</b>	<b>27,481,961.12</b>		<b>5.274</b>	<b>128</b>
<b>Treasury Discounts -Amortizing</b>										
912797FC6	1081	US Treasury Bill		05/18/2023	17,000,000.00	16,940,160.00	16,940,972.22	5.000	5.257	25 10/26/2023
912797FJ1	1083	US Treasury Bill		06/21/2023	14,000,000.00	13,921,740.00	13,922,801.68	5.090	5.339	39 11/09/2023
912797GC5	1096	US Treasury Bill		08/03/2023	9,000,000.00	8,866,080.00	8,867,144.99	5.210	5.483	102 01/11/2024
912797FW2	1097	US Treasury Bill		09/14/2023	10,000,000.00	9,861,500.00	9,861,458.36	5.250	5.486	95 01/04/2024
<b>Subtotal and Average</b>			<b>51,292,496.99</b>		<b>50,000,000.00</b>	<b>49,589,480.00</b>	<b>49,592,377.25</b>		<b>5.366</b>	<b>57</b>
<b>Local Agency Investment Funds</b>										
SYS336	336	Local Agency Invstmnt Fund			30,753,000.49	30,331,922.38	30,753,000.49	3.534	3.534	1
<b>Subtotal and Average</b>			<b>27,419,667.16</b>		<b>30,753,000.49</b>	<b>30,331,922.38</b>	<b>30,753,000.49</b>		<b>3.534</b>	<b>1</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2023	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2023	0.00	0.00	0.00		0.000	1
SYS5	5	US Bancorp		07/01/2023	8,630.36	8,630.36	8,630.36		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>202,379,791.34</b>		<b>195,758,586.82</b>	<b>190,362,199.86</b>	<b>194,834,019.70</b>		<b>3.400</b>	<b>43</b>

**Orange County Fire Authority**

**In Service of Others!**



**ORANGE COUNTY FIRE AUTHORITY  
Aging Report  
By Maturity Date  
As of October 1, 2023**

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 10/01/2023 - 10/01/2023 )	7 Maturities	0 Payments	50,308,586.82	26.21%	50,308,586.82	49,887,508.71
Aging Interval:	1 - 30 days	( 10/02/2023 - 10/31/2023 )	2 Maturities	0 Payments	31,000,000.00	16.24%	30,920,226.00	30,920,280.00
Aging Interval:	31 - 60 days	( 11/01/2023 - 11/30/2023 )	1 Maturities	0 Payments	14,000,000.00	7.31%	13,922,801.68	13,921,740.00
Aging Interval:	61 - 90 days	( 12/01/2023 - 12/30/2023 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	( 12/31/2023 - 01/29/2024 )	2 Maturities	0 Payments	19,000,000.00	9.84%	18,728,603.35	18,727,580.00
Aging Interval:	121 - 365 days	( 01/30/2024 - 09/30/2024 )	3 Maturities	0 Payments	31,435,000.00	16.93%	30,937,708.34	30,317,417.25
Aging Interval:	366 - 1095 days	( 10/01/2024 - 09/30/2026 )	5 Maturities	0 Payments	50,015,000.00	24.47%	50,016,094.51	46,587,673.90
Aging Interval:	1096 days and after	( 10/01/2026 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
			Total for	20 Investments	0 Payments	100.00	194,834,019.70	190,362,199.86



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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. Fluctuations in the marketplace have little effect on our long-term investment yield because it is our policy to hold investments to maturity. However, adjusting to market values as required by GAAP resulted in a decrease in recorded interest earnings of \$5,512,582.65. The adjustment for June 30, 2023, includes a decrease of \$612,970.63 to the LAIF investment and a decrease of \$4,899,612.02 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 September 30, 2023, OCFA has \$30,753,000.49 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, 2023 is .986307739. When applied to OCFA's LAIF investment, the fair value is \$30,331,922.38 or \$421,078.11 below cost. Although the fair value of the LAIF investment is lower 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 on September 30, 2023 is included on the following page.



**State of California**  
**Pooled Money Investment Account**  
**Market Valuation**  
**9/30/2023**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 22,254,070,554.26	\$ 22,573,811,770.05	\$ 22,564,630,000.00	NA
Notes	\$ 75,736,882,320.52	\$ 75,726,070,719.47	\$ 73,914,693,500.00	\$ 356,275,509.00
Federal Agency:				
SBA	\$ 289,931,607.50	\$ 289,931,607.50	\$ 289,283,255.27	\$ 1,343,664.44
MBS-REMICs	\$ 2,444,395.28	\$ 2,444,395.28	\$ 2,377,611.11	\$ 10,790.37
Debentures	\$ 8,932,358,628.46	\$ 8,931,933,628.45	\$ 8,757,401,100.00	\$ 56,448,847.70
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 800,000,000.00	\$ 800,000,000.00	\$ 778,527,500.00	\$ 6,377,986.50
Discount Notes	\$ 19,299,127,548.54	\$ 19,592,303,562.55	\$ 19,597,035,000.00	NA
Supranational Debentures	\$ 3,069,440,886.57	\$ 3,069,197,136.57	\$ 3,000,342,800.00	\$ 21,753,731.10
Supranational Debentures FR	\$ -	\$ -	\$ -	\$ -
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 100,000,000.00	\$ 100,000,000.00	\$ 99,998,636.29	\$ 3,441,666.67
CDs and YCDs	\$ 10,900,000,000.00	\$ 10,900,000,000.00	\$ 10,895,339,264.35	\$ 125,772,666.67
Commercial Paper	\$ 6,278,680,305.56	\$ 6,336,423,069.39	\$ 6,333,243,472.32	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 438,461,769.11	\$ 438,392,491.33	\$ 413,769,970.00	\$ 2,753,541.98
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,243,000,000.00	\$ 5,243,000,000.00	\$ 5,243,000,000.00	NA
PMIA & GF Loans	\$ 380,513,000.00	\$ 380,513,000.00	\$ 380,513,000.00	NA
<b>TOTAL</b>	<b>\$ 153,724,911,015.80</b>	<b>\$ 154,384,021,380.59</b>	<b>\$ 152,270,155,109.34</b>	<b>\$ 574,178,404.43</b>

Fair Value Including Accrued Interest

\$ 152,844,333,513.77

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (0.986307739). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$19,726,154.79 or \$20,000,000.00 x 0.986307739.



***Orange County Fire Authority***

***Preliminary Investment Report***

***October 20, 2023***





**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**October 20, 2023**

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

Page 14

	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
<b>Investments</b>								
Money Mkt Mutual Funds/Cash	13,879,243.07	13,879,243.07	13,879,243.07	7.90	1	1	5.106	5.177
Federal Agency Coupon Securities	67,450,000.00	63,581,546.60	67,451,055.42	38.40	1,384	27	0.632	0.641
Federal Agency Disc. -Amortizing	14,000,000.00	13,564,040.00	13,542,491.67	7.71	323	230	5.372	5.447
Treasury Discounts -Amortizing	50,000,000.00	49,744,190.00	49,734,405.01	28.32	146	37	5.293	5.366
Local Agency Investment Funds	31,034,495.04	30,609,562.63	31,034,495.04	17.67	1	1	3.486	3.534
	<b>176,363,738.11</b>	<b>171,378,582.30</b>	<b>175,641,690.21</b>	<b>100.00%</b>	<b>598</b>	<b>39</b>	<b>3.175</b>	<b>3.219</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	-76,563.66	-76,563.66	-76,563.66		0	0	0.000	0.000
<b>Total Cash and Investments</b>	<b>176,287,174.45</b>	<b>171,302,018.64</b>	<b>175,565,126.55</b>		<b>598</b>	<b>39</b>	<b>3.175</b>	<b>3.219</b>

<b>Total Earnings</b>	<b>October 20 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	333,542.71	2,183,423.97
<b>Average Daily Balance</b>	<b>187,333,424.80</b>	<b>219,684,086.53</b>
<b>Effective Rate of Return</b>	<b>3.25%</b>	<b>3.24%</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, 2023. 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

10/27/23

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 175,565,126.55
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ (5,512,582.65)
<b>Total</b>	<b>\$ 170,052,543.90</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**October 20, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	See Note 1 on page 19		See Note 2 on page 19		Stated Rate	YTM/Call 365 Mat./Call	Days to Maturity Date
					Par Value	Market Value	Book Value				
<b>Money Mkt Mutual Funds/Cash</b>											
SYS1042	1042	US Bank - Treasury Obligations			11,379,007.50	11,379,007.50	11,379,007.50	5.228		5.228	1
SYS528	528	MUFG Treasury Obligations		07/01/2023	0.00	0.00	0.00	4.620		4.620	1
SYS530	530	US Bancorp Sweep Account			2,500,235.57	2,500,235.57	2,500,235.57	4.945		4.945	1
<b>Subtotal and Average</b>			<b>18,131,402.89</b>		<b>13,879,243.07</b>	<b>13,879,243.07</b>	<b>13,879,243.07</b>		<b>5.177</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMWH1	1030	Federal Farm Credit Bank (Callable 11/21/2023)		04/22/2021	3,000,000.00	2,803,710.00	3,001,055.42	0.710		0.672	0 04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,196,600.00	12,000,000.00	0.720		0.720	11 04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 12/30/2023)		03/30/2021	8,000,000.00	7,637,200.00	8,000,000.00	0.550		0.550	70 09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 1/08/2024)		04/22/2021	9,435,000.00	9,213,371.85	9,435,000.00	0.375		0.409	79 04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 1/23/2024)		04/23/2021	11,015,000.00	10,482,424.75	11,015,000.00	0.520		0.520	2 10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2023)		04/29/2021	12,000,000.00	10,809,120.00	12,000,000.00	1.000		1.000	8 04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 11/11/2023)		05/11/2021	12,000,000.00	11,439,120.00	12,000,000.00	0.550		0.550	21 10/11/2024
<b>Subtotal and Average</b>			<b>67,451,073.99</b>		<b>67,450,000.00</b>	<b>63,581,546.60</b>	<b>67,451,055.42</b>		<b>0.641</b>	<b>27</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313384XV6	1095	Fed Home Loan Bank		07/20/2023	14,000,000.00	13,564,040.00	13,542,491.67	5.115		5.447	230 06/07/2024
<b>Subtotal and Average</b>			<b>21,218,407.78</b>		<b>14,000,000.00</b>	<b>13,564,040.00</b>	<b>13,542,491.67</b>		<b>5.447</b>	<b>230</b>	
<b>Treasury Discounts -Amortizing</b>											
912797FC6	1081	US Treasury Bill		05/18/2023	17,000,000.00	16,992,520.00	16,988,194.44	5.000		5.257	5 10/26/2023
912797FJ1	1083	US Treasury Bill		06/21/2023	14,000,000.00	13,965,000.00	13,962,390.56	5.090		5.339	19 11/09/2023
912797GC5	1096	US Treasury Bill		08/03/2023	9,000,000.00	8,894,070.00	8,893,194.99	5.210		5.483	82 01/11/2024
912797FW2	1097	US Treasury Bill		09/14/2023	10,000,000.00	9,892,600.00	9,890,625.02	5.250		5.486	75 01/04/2024
<b>Subtotal and Average</b>			<b>49,666,941.83</b>		<b>50,000,000.00</b>	<b>49,744,190.00</b>	<b>49,734,405.01</b>		<b>5.366</b>	<b>37</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			31,034,495.04	30,609,562.63	31,034,495.04	3.534		3.534	1
<b>Subtotal and Average</b>			<b>30,865,598.31</b>		<b>31,034,495.04</b>	<b>30,609,562.63</b>	<b>31,034,495.04</b>		<b>3.534</b>	<b>1</b>	
<b>Total and Average</b>			<b>187,333,424.80</b>		<b>176,363,738.11</b>	<b>171,378,582.30</b>	<b>175,641,690.21</b>		<b>3.219</b>	<b>39</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**October 20, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2023	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2023	0.00	0.00	0.00		0.000	1
SYS5	5	US Bancorp		07/01/2023	-96,563.66	-96,563.66	-96,563.66		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>0</b>
<b>Total Cash and Investments</b>			<b>187,333,424.80</b>		<b>176,287,174.45</b>	<b>171,302,018.64</b>	<b>175,565,126.55</b>		<b>3.219</b>	<b>39</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of October 21, 2023**

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

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 0 days	( 10/21/2023 - 10/21/2023 )	7 Maturities	0 Payments	44,837,174.45	25.93%	44,837,174.45	44,412,242.04
Aging Interval: 1 - 30 days	( 10/22/2023 - 11/20/2023 )	2 Maturities	0 Payments	31,000,000.00	18.07%	30,950,585.00	30,957,520.00
Aging Interval: 31 - 60 days	( 11/21/2023 - 12/20/2023 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 61 - 90 days	( 12/21/2023 - 01/19/2024 )	2 Maturities	0 Payments	19,000,000.00	10.97%	18,783,820.01	18,786,670.00
Aging Interval: 91 - 120 days	( 01/20/2024 - 02/18/2024 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	( 02/19/2024 - 10/20/2024 )	4 Maturities	0 Payments	43,435,000.00	24.43%	42,977,491.67	41,853,731.85
Aging Interval: 366 - 1095 days	( 10/21/2024 - 10/20/2026 )	4 Maturities	0 Payments	38,015,000.00	20.60%	38,016,055.42	35,291,854.75
Aging Interval: 1096 days and after	( 10/21/2026 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
<b>Total for</b>		<b>19 Investments</b>	<b>0 Payments</b>		<b>100.00</b>	<b>175,565,126.55</b>	<b>171,302,018.64</b>



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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, 2023 includes a decrease of \$612,970.63 to the LAIF investment and a decrease of \$4,899,612.02 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 \$75 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**

**Budget and Finance Committee Meeting**  
**November 8, 2023**

**Agenda Item No. 2C**  
**Consent Calendar**

**First Quarter Financial Newsletter**

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**Contact(s) for Further Information**

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**Summary**

This routine agenda item is submitted to provide information regarding revenues and expenditures in the General Fund and the Capital Improvement Program Funds through the first quarter of FY 2023/24.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

The Quarterly Financial Newsletter provides information about the General Fund's top five revenue sources as well as expenditures by department and by type. Revenues and expenditures for the Capital Improvement Program (CIP) funds are also included. Revenues and expenditures for the General and CIP Funds through the first quarter of the fiscal year are within budgetary estimates, except where noted in the attached newsletter.

**Attachment(s)**

First Quarter Financial Newsletter – July 2023 to September 2023

## Summary

The Quarterly Financial Newsletter provides summary level information regarding the General Fund (GF) operating budget and Capital Improvement Program (CIP) budget to highlight revenue and expenditure trends and areas of note.

With the 1st Quarter (i.e. 25%) of the fiscal year completed, both General Fund actual revenues and actual expenditures are slightly higher than anticipated. As of the end of the quarter, the OCFA received 11.1% of budgeted revenues and expended 22.5% of appropriations.

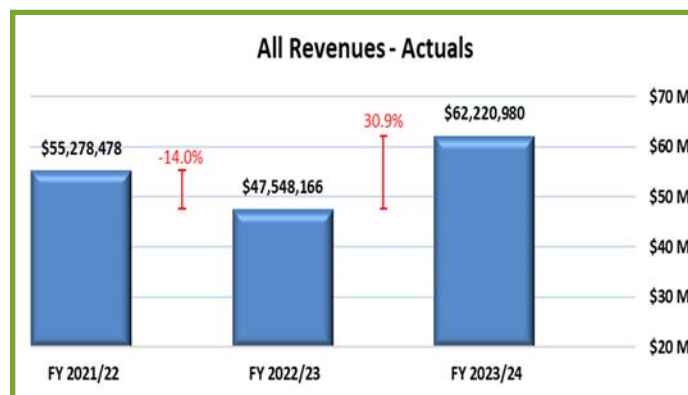
The OCFA expended 12.5% of the GF CIP, 0.1% of Fire Stations & Facilities, 0.9% of Comm. & Info. Systems, and 7.9% of the Fire Apparatus budgets. CIP expenditures to date have been minimal as many projects are still in the preliminary stages.

For additional info, see attached newsletter.



## General Fund

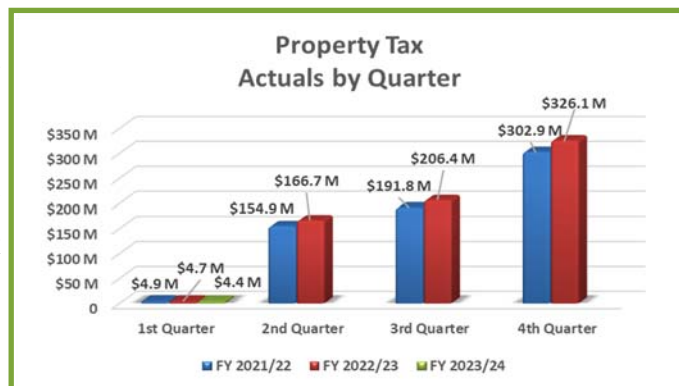
**REVENUES** — General Fund revenues received as of the 1st quarter amounted to \$62.2 million, approximately 30.9%



higher than the prior year. The increase is mostly due to increased Cash Contract City revenue receipts and funding related to the Quick Reaction Force program. In current fiscal year 2023/24, an additional monthly cash contract city payment for both Santa

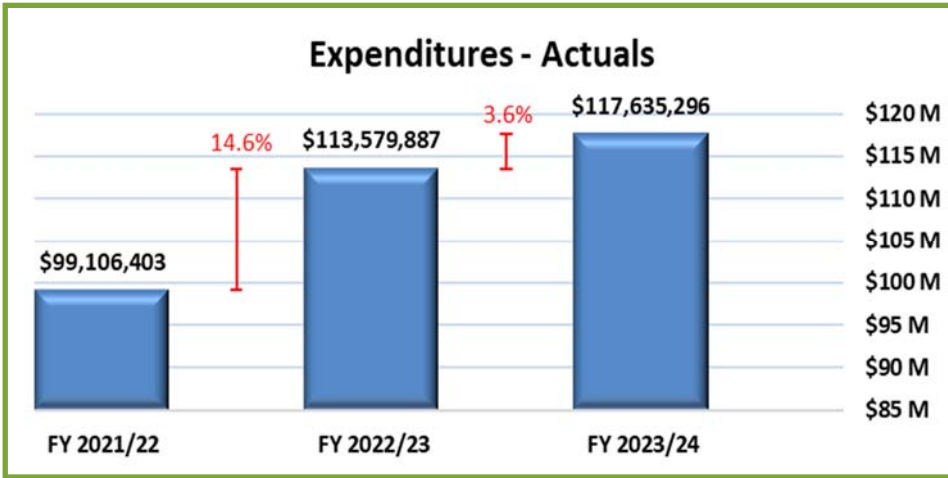
Ana and Garden Grove was received before the close of the first quarter.

1st quarter property tax revenues are typically lower as reflected in the chart below. For the 1st quarter of fiscal year 2023/24, unsecured property tax is slightly lower by \$229K and supplemental property tax is slightly lower by \$126K when compared to the prior year. These revenues represent 2.6% and 1.9% respectively of overall property tax revenue. Secured property tax represents over 95% of overall property tax revenue and receipts will begin in the 2nd quarter.



Based on data from the Auditor-Controller, OCFA projects secured property taxes will be \$6.2 million higher than originally anticipated.

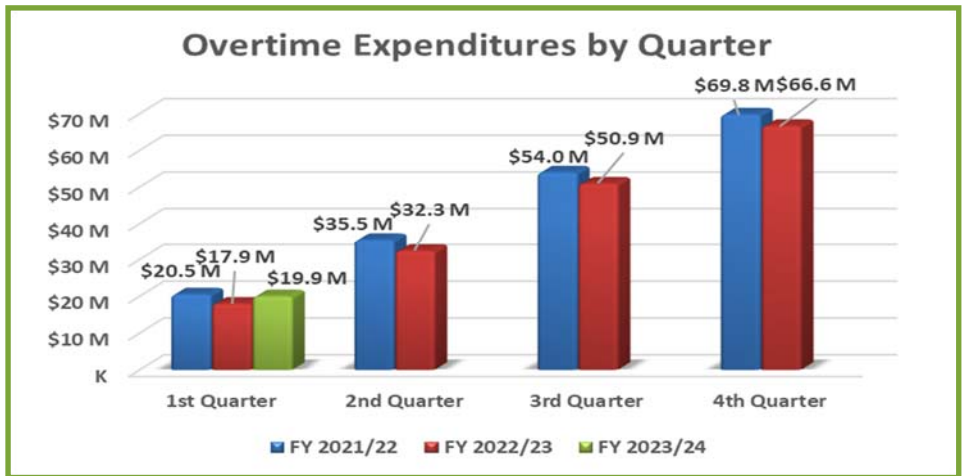
**EXPENDITURES** — General Fund expenditures through the 1st quarter amounted to \$117.6 million and reflect



an increase of 3.6% when compared to the prior fiscal year. Initial budget estimates projected 1st quarter expenditures ending at \$112.8 million. Higher than anticipated backfill/overtime expenditures were the main driver. Services and supplies and equipment expenditures were in line with budgetary estimates.

The following Overtime Expenditures by Quarter chart captures historical

cumulative overtime expenditures from fiscal year 2021/22 through the 1st quarter of fiscal year 2023/24. Actual overtime expenditures are \$2.0 million higher than last year. Overtime expenses increased this year over last primarily due to additional resources sent out of county for emergency incidents. Major incidents this fiscal year include the Bonny, Happy Camp Complex, Rabbit, Smith River Complex, South Fork Complex, and SRF Lightning Complex fires. These emergency incident overtime expenditures are reimbursable. Overtime expenditures will continue to be monitored and a mid-year budget adjustment will be requested if necessary.



*We hope you have found this summary information illustrative and useful. Additional detailed information is included in following Newsletter pages, including progress for each of the CIP funds.*



# Orange County Fire Authority

## First Quarter Financial Newsletter – July 2023 to September 2023

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### **OVERVIEW**

This report covers fiscal activities in the General Fund and CIP Funds through the first quarter of Fiscal Year 2023/24. Budget figures include all budget adjustments authorized by the Board through the first quarter.

### **GENERAL FUND**

With 25% of the year completed, General Fund revenues are 11.1% of budget and expenditures are 22.5% as shown below:

General Fund (excludes 12110)	YTD Actual	Budget	Variance in Dollars	% Variance
Revenues	62,220,980	558,215,124	495,994,144	11.1%
Expenditures	117,635,296	522,601,296	404,966,000	22.5%

**Top Five Revenues.** The analysis presented below compares the five largest revenue categories received through the first quarter, as compared to the budgetary estimate for this point in the fiscal year. Categories in which the variance is greater than 10% or \$1 million, are discussed below the table.

Top Five Revenues	YTD Actual Receipts	Budget	Variance: Actual to Budget in Dollars	% Variance
Property Taxes	4,393,030	4,705,281	(312,251)	-6.6%
Cash Contracts	47,241,330	41,187,832	6,053,498	14.7%
State Reimbursements	1,763,109	1,800,000	(36,891)	-2.0%
CRA Pass-through	11,123	10,437	686	6.6%
Community Risk Reduction Fees	1,568,145	1,758,639	(190,494)	-10.8%
<b>Total</b>	<b>54,976,737</b>	<b>49,462,189</b>	<b>5,514,548</b>	<b>10%</b>

- **Cash Contracts** – Cash contract revenue was \$6.1 million higher than anticipated due to timing of payments. Scheduled payments from Santa Ana and Garden Grove anticipated to be received in the second quarter were received before the close of the first quarter.
- **Community Risk Reduction Fees** – CRR Revenue was lower than anticipated due to a decrease in commercial projects submitted for plan review. This category of revenue will be monitored for a potential mid-year budget adjustment.

**Expenditures.** The analysis presented on the following page compares the actual expenditures through the first quarter, as compared to the budgetary estimate for this point in the fiscal year. Categories in which the variance is greater than 10% or \$1 million, are discussed below the table.

Expenditures by Department	YTD Actual Expenditures	Budget	Variance: Actual to Budget in Dollars	% Variance
Business Services	1,700,383	1,876,003	(175,620)	-9.4%
Command & Emergency Planning	2,126,167	2,121,872	4,295	0.2%
Community Risk Reduction	2,775,235	2,951,051	(175,816)	-6.0%
Corporate Communications	782,097	758,269	23,828	3.1%
EMS & Training	3,346,451	3,398,865	(52,414)	-1.5%
Executive Management	1,871,554	1,724,893	146,661	8.5%
Human Resources	5,648,899	5,360,273	288,626	5.4%
Logistics	9,929,825	10,655,567	(725,742)	-6.8%
Non-Departmental	(11,105)	(10,660)	(445)	4.2%
Field Operations North	41,067,642	39,454,590	1,613,052	4.1%
Field Operations South	48,303,559	44,410,724	3,892,835	8.8%
Strategic Services	94,589	94,714	(125)	-0.1%
<b>Total</b>	<b>117,635,296</b>	<b>112,796,161</b>	<b>4,839,135</b>	<b>4.1%</b>

- Operations North** – This department is exceeding budget estimates for the first quarter primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for emergency incidents which will be reimbursed. Major incidents in FY 2023/24 include the Bonny, Happy Camp Complex, Rabbit, Smith River Complex, South Fork Complex, and SRF Lightning Complex fires. Overtime expenditures will continue to be monitored and a mid-rear budget adjustment will be requested if necessary.
- Operations South** – This department is exceeding budget estimates for the first quarter primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for emergency incidents which will be reimbursed. Major incidents in FY 2023/24 include the Bonny, Happy Camp Complex, Rabbit, Smith River Complex, South Fork Complex, and SRF Lightning Complex fires. Overtime expenditures will continue to be monitored and a mid-rear budget adjustment will be requested if necessary.

Expenditures by type are outlined below, with exception details following the table:

Expenditures by Type	YTD Actual Expenditures	Budget	Variance: Actual to Budget in Dollars	% Variance
Salary and Employee Benefits	101,515,377	95,812,481	5,702,896	6.0%
Services and Supplies	15,953,886	16,803,930	(850,044)	-5.1%
Equipment	166,033	179,750	(13,717)	-7.6%
<b>Total</b>	<b>117,635,296</b>	<b>112,796,161</b>	<b>4,839,135</b>	<b>4.1%</b>

- Salary & Employee Benefits** – This category is trending over budget estimates for the first quarter by approximately \$5.7 million or 6%. This is primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for emergency incidents which will be reimbursed. Major incidents in FY 2023/24

include the Bonny, Happy Camp Complex, Rabbit, Smith River Complex, South Fork Complex, and SRF Lightning Complex fires. Overtime expenditures will continue to be monitored and a mid-year budget adjustment will be requested if necessary.

**CIP FUNDS**

Revenues and expenditures for the Capital Improvement Program funds are summarized below. Any variances are noted following the fund table:

**General Fund CIP**

Fund 12110	YTD Actual	Budget	Percent
Expenditures	2,083,010	16,677,529	12.5%

- This Fund receives transfers from the General Fund as its revenue source.
- Appropriations of \$16.7 million include funding for upgrades, routine maintenance and replacement of equipment such as: enterprise phone/public address system upgrade, inclusive facilities projects, fire station remodels and concrete/asphalt repair, fire station appliance, HVAC, generator and bay door refurbishment/replacement, FS 41 aircraft landing improvements, data network upgrades, fire shelters, body armor, exhaust fans, air monitors, suction units, remote rescue packs, telephone/alarm system upgrades, RFOTC secure vehicular access, station security fencing, replacement of PCs, laptops, tablets, printers, radios, and mobile data computers.
- Expenditures of approximately \$2.1 million are attributable to inclusive facilities, fire station remodels, FS 41 aircraft landing improvements, telephone/alarm system upgrades, appliances replacement, data network servers and upgrades, HVAC & generator replacement, enterprise phone/public address system upgrade, and replacement of PCs, tablets and printers, radios, mobile data computers.

**Fire Stations and Facilities**

Fund 123	YTD Actual	Budget	Percent
Revenue	338,386	781,243	43.3%
Expenditures	18,067	24,375,225	0.1%

- Revenues in this fund are attributable to interest earned through the first quarter and Cal Fire contract revenue of \$18K.
- Appropriations of \$24.4 million include funding for replacement of FS 10 and FS 25, remodel of FS 9, infrastructure security enhancements, RFOTC training grounds expansion and upgrade, and solar power facilities upgrades for RFOTC and various fire stations.
- Expenditures of approximately \$18K are primarily attributable to RFOTC training grounds expansion and upgrade.

**Communications & Information Systems**

Fund 124	YTD Actual	Budget	Percent
Revenue	80,224	101,026	79.4%
Expenditures	77,922	8,872,908	0.9%

- Revenues in this fund are attributable to interest earned through the first quarter.
- Appropriations of \$8.9 million include funding for: disaster recovery co-location facility, CRR automation/IFP replacement, EMS enterprise system development, enterprise audio video equipment upgrades, fuel management tracking system, 911 voice recording system, RFOTC data center fire suppression system upgrade, and public website content management system.
- Year to date expenditures of \$78K are attributable to CRR automation/IFP replacement, disaster recovery co-location facility, and EMS enterprise system development.

**Fire Apparatus**

Fund 133	YTD Actual	Budget	Percent
Revenue	1,001,521	4,635,580	21.6%
Expenditures	1,503,671	19,142,750	7.9%

- The Fund 133 revenue budget includes vehicle replacement program payments from cash contract cities and interest earned through the first quarter.
- Appropriations of \$19.1 million include vehicle outfitting, 2 helicopters, 9 engines, 1 dozer transport trailer, 4 superintendent vehicles, 3 technical rescue support vehicles, 2 paramedic squads, 5 full-size vehicles, 2 towing tugs and 36 support vehicles. Also included in this Fund is \$4.9M in debt service for the Helicopter Program.
- Expenditures through the first quarter of \$1,503,671 are primarily related to landing gear installation and training for the Helicopter Program in anticipation of the new helicopters, as well as miscellaneous outfitting expenses for fleet vehicles.

**SUMMARY**

***For more information.*** This summary is based on detailed information from our financial system. If you would like more information or have any questions about the report, please contact Stuart Lam, Budget Manager at 714-573-6302, or Tricia Jakubiak, Treasurer at 714-573-6301.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 8, 2023**

**Agenda Item No. 2D**  
**Consent Calendar**

**First Quarter Purchasing Report**

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**Contact(s) for Further Information**

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**Summary**

This routine agenda item is submitted to provide information regarding purchases made within management authority during the fourth quarter of FY 2022/23. This item will be included in the Executive Committee agenda moving forward similar to other routine quarterly business reports.

**Prior Board/Committee Action**

On June 24, 2021, the Board of Directors approved the content format contained herein for future quarterly purchasing reports.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Purchasing Ordinance No. 009 (Ordinance) and the Roles/Responsibilities/Authorities Matrix (Matrix) provides the Chief Procurement Officer (Purchasing Manager) with authority to enter into various types of agreements at varying amounts. This authority includes the procurement of items previously approved by the Board of Directors as part of the annual adoption of the budget provided that the contract results from a competitive solicitation. Furthermore, as per Section 1-20 Small Purchases provision of the Ordinance, any contract for the purchase of supplies, equipment, maintenance, and services not exceeding \$50,000 may be made by the Chief Procurement Officer in accordance with the small purchase procedures authorized in the Ordinance. For public works projects, the statutory threshold is established by the CA Public Contract Code at \$60,000.

The Quarterly Purchasing Report provides a list of all purchase orders and blanket orders entered into under the Purchasing Manager authority during the period of July 1, 2023, through September 30, 2023.

**Attachment(s)**

First Quarter Purchasing Report – July 1, 2023 to September 30, 2023

Purchasing Report  
1st Quarter - FY 2023/24

- This report reflects all POs/BOs issued within management authority, including those that may have been cancelled or replaced by another PO or BO. These records will show as duplications in the report, but are in fact replacements.
- Management authority includes the procurement of items previously approved by the Board of Directors as part of the annual adoption of the budget provided that the contract results from a competitive solicitation.
- Amount column reflects the procurement value. Actual expenditures made against the contract may be lower.
- Vendor Name column display of "error" or the phrase "do not use" appears when a vendor has since changed their name or corporation status.
- PO/BO amounts of \$0 or \$.01 are often issued as place holders to record the terms and conditions of no-cost transactions, or may appear when the POs/BO balance is reduced to zero.
- POs starting with the letter "Q" are issued as part of the fiscal year end process to roll forward encumbrances issued in a prior fiscal year for projects still in progress.

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/1/2023	B01673-7	\$907	Logistics Department	ORACLE AMERICA, INC.	ORACLE DATABASE STANDARD EDITION LICENSING	
7/1/2023	B01559-9	\$10,000	Community Risk Reduction Department	COUNTY OF ORANGE	LANDFILL DISPOSAL FEES - DEFERRED PAYMENT	
7/1/2023	B02124-1	\$1,860	Logistics Department	NTT AMERICA SOLUTIONS, INC	INFORMACAST MASS NOTIFICATION SYSTEM SUPPORT	
7/1/2023	B02104-3	\$10,000	Operations Department - South	BOEING DISTRIBUTION INC.	HELICOPTER BATTERY POWER SUPPLY SERVICES	
7/1/2023	B01615-8	\$13,621	Logistics Department	GENCORE CANDEO LTD	GENWATCH 3 RADIO NETWORK SOFTWARE MAINTENANCE AND SUPPORT	
7/1/2023	B02500	\$8,100	Logistics Department	CONSOLE CLEANING SPECIALISTS INC	DEEP CLEANING DISPATCH CONSOLES IN ECC	
7/5/2023	B02269-2	\$22,248	Operations Department - South	FW AVIATION LLC	TRAINING TOWER LEASE - STATION 41	
7/5/2023	B01774-6	\$2,210	Logistics Department	SHI INTERNATIONAL CORP.	BLUEBEAM LICENSING, MAINTENANCE, AND SUPPORT	
7/5/2023	P0015498	\$2,450	Human Resources Department	DONNOE & ASSOCIATES, INC.	WRITTEN EXAM FOR HAND CREW FIREFIGHTER	
7/5/2023	P0015499	\$807	Logistics Department	WILLIAMS & MAHER INC	MERAKI WIFI INSTALLATION - FS22	
7/5/2023	P0015500	\$1,648	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER INSTALL - FS18	RO2202
7/6/2023	P0015501	\$1,548	Logistics Department	UNITED RENTALS (NORTH AMERICA), INC.	SCISSORLIFT RENTAL FOR IT INSTALLS	
7/11/2023	P0015503	\$2,301	EMS & Training Department	NEW HORIZONS COMPUTER LEARNING CENTER	INSTRUCTOR FOR MICROSOFT SOFTWARE TRAINING	
7/12/2023	B02291-1	\$30,000	Logistics Department	AT&T	AT&T FIRSTNET WIRELESS SERVICE	COOPERATIVE
7/14/2023	P0015510	\$1,802	Community Risk Reduction Department	NATIONAL FIRE PROTECTION ASSOC	NFPA HANDBOOKS	
7/14/2023	P0015506	\$27,513	Logistics Department	PRESIDIO HOLDINGS INC.	iPADS FOR FIRE PREVENTION	
7/14/2023	P0015505	\$49,824	Logistics Department	ALLSTAR FIRE EQUIPMENT	SCBA MASKS, VOICE AMPS, AND BRACKETS - FIREFIGHTER ACADEMIES	
7/14/2023	P0015507	\$1,650	Logistics Department	NICKEY PETROLEUM	MOTOR OIL AND ATF FOR STOCK	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/14/2023	P0015508	\$1,775	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING - FS43	
7/14/2023	P0015509	\$15,042	Logistics Department	ALLSTAR FIRE EQUIPMENT	BRACKETS AND MOUNTS FOR NEW APPARATUS	
7/17/2023	P0015511	\$8,100	Logistics Department	ROBERT STEWART ARCHITECTS	ARCHITECTUAL SERVICES - USAR WAREHOUSE	RO2584
7/18/2023	P0015512	\$3,780	Human Resources Department	DIRECTIONAL AD-VANTAGE HOLDINGS LLC	FIREFIGHTER TRAINEE RECRUITMENT ADVERTISING	
7/19/2023	B01703-7	\$6,957	Corporate Communications	MELTWATER NEWS US INC.	SUBSCRIPTION TO ONLINE MEDIA TRACKING SERVICES	
7/19/2023	B02109-3	\$26,000	EMS & Training Department	PEDIATRIC EMERGENCY STANDARDS INC	HANDTEVY PEDIATRIC MEDICATIN MANAGEMENT SOFTWARE	
7/20/2023	P0015514	\$23,070	Logistics Department	HARBOR POINTE A/C & CONTROLS	INSTALL BOILER & SUPPLY - RFOTC	
7/24/2023	B01840-5	\$10,000	Logistics Department	NORM'S REFRIGERATION & ICE EQUIPMENT	ICE MAKER & REFRIGERATION REPAIR AND MAINTENANCE	
7/24/2023	B01927-4	\$10,000	Logistics Department	CLEAN HARBORS	HAZARDOUS WASTED DISPOSAL SERVICES	
7/26/2023	P0015515	\$5,925	EMS & Training Department	FREEMOTION FITNESS	TREADMILL	
7/26/2023	E00267-5	\$576,397	Logistics Department	CRAYON SOFTWARE EXPERTS LLC	MICROSOFT ENTERPRISE LICENSING AGREEMENT	COOPERATIVE
7/26/2023	P0015516	\$18,250	Logistics Department	CERTAPRO PAINTERS OF ORANGE COUNTY	FIRE STATION EXTERIOR PAINTING FS2	
7/26/2023	P0015517	\$42,033	EMS & Training Department	HOME DEPOT	LUMBER - ACADEMY 58	
7/26/2023	P0015518	\$1,898	Logistics Department	WILLIAMS & MAHER INC	FS47 GPS REPEATER INSTALL	RO2552
7/26/2023	P0015519	\$3,621	EMS & Training Department	ALLSTAR FIRE EQUIPMENT	SCBA RIC PACK SUPPPLIES - ACADEMY 58	
7/26/2023	P0015520	\$5,359	Logistics Department	HARBOR POINTE A/C & CONTROLS	EVAPORATOR COIL FAN IN SERVER ROOM FS60	RO2356
7/27/2023	P0015521	\$89,424	Logistics Department	PRESIDIO HOLDINGS INC.	STORAGE UPGRADE/ BACKUP ENVIRONMENT	COOPERATIVE
7/28/2023	P0015525	\$13,435	Logistics Department	PRESIDIO HOLDINGS INC.	CISCO WIRELESS SITE SURVEY TOOL	COOPERATIVE
7/28/2023	P0015524	\$8,100	Logistics Department	CONSOLE CLEANING SPECIALISTS INC	DEEP CLEANING DISPATCH CONSOLES IN ECC	
7/28/2023	P0015522	\$6,102	Logistics Department	DELL MARKETING, L.P.	ECC ACADEMY SCREENS	COOPERATIVE
7/28/2023	P0015523	\$7,459	Logistics Department	HARBOR POINTE A/C & CONTROLS	HVAC UNIT REPLACEMENT FS22	RO2356
7/28/2023	P0015526	\$22,100	Logistics Department	SIGNATURE PAINTING, INC.	FIRE STATION EXTERIOR PAINTING FS15	
7/28/2023	P0015527	\$23,570	Logistics Department	INLAND FLOORING CONTRACTORS INC	FLOORING REPLACEMENT FS 54	
7/28/2023	P0015528	\$24,376	Logistics Department	INLAND FLOORING CONTRACTORS INC	FLOORING REPLACEMENT FS 58	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/31/2023	P0015531	\$1,051	Logistics Department	TEK TIME SYSTEMS, INC.	TIME STAMP FOR HR	
7/31/2023	B02503	\$10,000	Logistics Department	ATLAS COPCO COMPRESSORS LLC	AIR COMPRESSOR MAINTENANCE/ REPAIR FS33	
7/31/2023	P0015529	\$9,971	Logistics Department	PJ PRINTERS	2023 RADIO CHANNEL AND OPERATORS GUIDE	
7/31/2023	P0015530	\$19,978	Logistics Department	INSIDE EDGE COMMERCIAL INTERIOR SERVICES LLC	FLOORING REPLACEMENT FS 28	
8/1/2023	P0015555	\$6,500	Logistics Department	DAVID WHEELER PEST CONTROL	ON-CALL PEST CONTROL SERVICES	
8/1/2023	B01985-4	\$10,000	Logistics Department	TURNOUT MAINTENANCE COMPANY LLC	TURNOUT AND CLEANING REPAIR	
8/1/2023	B02338-1	\$10,000	Human Resources Department	CINTAS FIRST AID & SAFETY LOC #168	SERVICING OF FIRST AID KITS	
8/1/2023	B01872-4	\$5,000	Logistics Department	BESTWAY LAUNDRY SOLUTIONS	REPAIR AND MAINTENANCE - EXTRACTORS AND DRYERS	
8/1/2023	B02506	\$599	Logistics Department	RENEWAL TRACKER	RENEWAL TRACKER SUBSCRIPTION - ANNUALLY	
8/1/2023	B01991-4	\$100,000	Logistics Department	ACCO ENGINEERED SYSTEMS INC.	HVAC SYSTEM REPAIRS AND MAINTENANCE SERVICES	RO2356
8/1/2023	B01990-4	\$250,000	Logistics Department	HARBOR POINTE A/C & CONTROLS	HVAC MAINTENANCE AND REPAIR SERVICES	RO2356
8/1/2023	B01603-8	\$5,000	Logistics Department	A PLUS AWARDS BY DEWEY	ENGRAVING SERVICES AND ACCESSORIES	
8/1/2023	B01578-8	\$6,600	Logistics Department	ULTIMATE MAINTENANCE SERVICES	DATA CENTER CLEANING SERVICES	
8/1/2023	B02512	\$125,000	Logistics Department	HOME DEPOT	BUILDING SUPPLIES	COOPERATIVE
8/1/2023	B02106-3	\$10,000	Community Risk Reduction Department	UNITED RENTALS (NORTH AMERICA), INC.	AS-NEEDED WATER TENDER RENTAL (AUTOMATIC TRANSMISSION)	
8/1/2023	P0015532	\$1,992	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING - FS53	
8/1/2023	P0015533	\$8,611	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TRIMMING AND REMOVALS OF INTERIOR TREES - RFOTC	
8/1/2023	P0015534	\$11,139	EMS & Training Department	INTERSTATE CONEX LLC	SHIPPING CONTAINERS TO SECURE ACADEMY EQUIPMENT AND TRAINING PROPS	
8/1/2023	P0015535	\$1,648	Logistics Department	WILLIAMS & MAHER INC	INSTALL ANTENNA AND GPS REPEATER - FS18	
8/1/2023	P0015536	\$2,532	Logistics Department	WILLIAMS & MAHER INC	INSTALL DATA DROPS & RUN CAT6 CABLE - FS10	
8/1/2023	P0015537	\$689	Logistics Department	WILLIAMS & MAHER INC	RELOCATE PHONE - FS51	
8/1/2023	P0015538	\$2,843	Logistics Department	DIAMOND GLASS	REPLACE STOREFRONT DOOR - FS79	
8/2/2023	P0015540	\$16,056	Operations Department - South	COMMUNICATIONS-APPLIED TECHNOLOGY	ICRI SAR CRK RESPONSE KIT	
8/3/2023	B02215-2	\$9,588	Corporate Communications	ARCHIVESOCIAL	ARCHIVING SUBSCRIPTION FOR SOCIAL MEDIA ACCOUNTS	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
8/3/2023	P0015541	\$3,499	Command & Emergency Planning Div	SOUTHERN CALIFORNIA ERGONOMICS	RADIO/PHONE EQUIPMENT - ECC	
8/3/2023	P0015542	\$2,987	Logistics Department	WESTNET	WESTNET ALERTING SYSTEM LIGHTING ADDITION	COOPERATIVE
8/3/2023	P0015543	\$9,832	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	ROOT AND STUMP GRIND OF AFFECTED AREAS FS42	
8/3/2023	P0015544	\$31,207	Logistics Department	DELL MARKETING, L.P.	DELL PCS AND MONITORS - IT INVENTORY	COOPERATIVE
8/4/2023	B02344-1	\$10,000	Logistics Department	VALLEY POWER SYSTEMS, INC.	RED DOT AIR CONDITIONING COMPRESSORS, MISC PARTS, AND TOOLS FOR AS-NEEDED PURCHASES	
8/7/2023	P0015545	\$4,296	Logistics Department	BRIGHT MARKET LLC	LICENSE FOR SOFTWARE TO GENERATE AUTOMATED PDF FILES FOR DSR EMAILS AND OTHER PROJECTS	
8/7/2023	P0015546	\$83,491	Logistics Department	DELL MARKETING, L.P.	AIRWATCH WORKSPACE LICENSES	COOPERATIVE
8/8/2023	P0015547	\$1,737	Logistics Department	SC COMMERCIAL, LLC DBA SC FUELS	BULK MOTOR OIL FOR STOCK	
8/9/2023	B02505	\$200,000	Operations Department - South	ASCENT AVIATION GROUP INC	JET FUEL FOR AIR OPS HELICOPTER PROGRAM AT FULLERTON AIRPORT	JA9649
8/9/2023	P0015548	\$8,441	Logistics Department	HARBOR POINTE A/C & CONTROLS	NEW HVAC UNIT INSTALL - FS28	RO2356
8/9/2023	P0015550	\$17,777	Operations Department - South	MOTOROLA SOLUTIONS INC.	APX 8500 MOBILE RADIO FEMA CACHE LIST # CA-0120.00	
8/9/2023	P0015551	\$675	Business Services Department	TEK TIME SYSTEMS, INC.	TIMESTAMP MACHINE PREVENTATIVE MAINTENANCE/SERVICE	
8/10/2023	B01764-5	\$6,360	Operations Department - South	GLOBALCOM SATELLITE COMMUNICATIONS	CA-TF5 SATELLITE PHONE AIRTIME SERVICE	
8/11/2023	P0015556	\$11,918	Logistics Department	GUARANTY CHEVROLET	REPLACEMENT ENGINE FOR BATTALION 9, UNIT 2185	
8/11/2023	P0015563	\$8,148	Executive Management	COLLINS FLAGS	GARRISON FLAGS - HONOR GUARD	
8/11/2023	P0015553	\$891	Logistics Department	WILLIAMS & MAHER INC	FS13 COMMUNICATIONS CABLING SERVICES	RO2552
8/11/2023	P0015554	\$687	Logistics Department	WILLIAMS & MAHER INC	FS44 COMMUNICATIONS CABLING SERVICES	RO2552
8/11/2023	P0015557	\$8,098	Logistics Department	PACIFIC PLUMBING COMPANY	TANKLESS WATER HEATER INSTALL	RO2501
8/11/2023	P0015558	\$3,581	Logistics Department	FIRE ETC	TURNOUT DETERGENT FOR PPE EXTRACTORS	
8/11/2023	P0015559	\$9,207	Logistics Department	PACIFIC PLUMBING COMPANY	TANKLESS WATER HEATER INSTALL	RO2501
8/11/2023	P0015560	\$1,236	Logistics Department	PACIFIC PLUMBING COMPANY	GAS LINE RELOCATION FS67	RO2501
8/11/2023	P0015561	\$1,830	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING AT FIRE STATION 55	
8/11/2023	P0015562	\$2,187	Logistics Department	SIGNATURE FLOORING, INC.	FLOORING REPLACEMENT AT RFOTC AREAS	
8/14/2023	P0015564	\$7,758	Operations Department - North	R.S. HUGHES COMPANY INC	DECONTAMINATION SHOWERS - HAZMAT 20 AND 79	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
8/14/2023	B02508	\$3,045	Community Risk Reduction Department	NATIONAL FIRE PROTECTION ASSOC	NFPA LINK ENTERPRISE SUBSCRIPTION	
8/15/2023	B02345-1	\$10,000	Logistics Department	NVB EQUIPMENT INC	RED DOT AIR CONDITIONING COMPRESSORS, MISC PARTS, AND TOOLS	
8/15/2023	B01861-5	\$1,385	Logistics Department	PEAK TECHNOLOGIES	ANNUAL MAINTENANCE FOR PRINTRONIX PRINTER	
8/15/2023	P0015565	\$1,166	Operations Department - South	AIR COMM SYSTEMS INC	RADIO REPAIR FOR AIR OPS	
8/15/2023	P0015566	\$1,899	Logistics Department	ALLSTAR FIRE EQUIPMENT	PRE SETS AND TIE STRAPS TO REPAIR STRUCTURE CHAIN	
8/16/2023	B02373-1	\$200,000	Logistics Department	C.I. SERVICES, INC.	ROOFING REPAIR AND MAINTENANCE	RO2553
8/16/2023	P0015569	\$4,232	Operations Department - South	AVIATION SPECIALTIES UNLIMITED, INC.	NVG PARTS FOR AIR OPS	
8/16/2023	P0015568	\$9,245	Logistics Department	ORANGE COAST PETROLEUM EQUIPMENT CO., INC	DEF TOTES FOR FIRE STATIONS	
8/16/2023	P0015570	\$1,400	Operations Department - South	LEADING EDGE AVIONICS INC	COMPASS CALIBRATION AND MAGNETIC CHECK	
8/16/2023	P0015571	\$7,105	Community Risk Reduction Department	SGD ENTERPRISES (DBA: FOUR SEASONS LANDSCAPING)	INVASIVE TREE PEST MITIGATION GRANT PROJECT TREE REMOVALS AND TREATMENTS	
8/17/2023	P0015574	\$9,997	Logistics Department	LINEGEAR FIRE & RESCUE	BRUSH SHIRTS FOR NEW HAND CREW FIREFIGHTERS	
8/17/2023	P0015572	\$106,195	Logistics Department	PB LOADER CORPORATION	PURCHASE OF ONE (1) 2024 ISUZU MAIL TRUCK	COOPERATIVE
8/17/2023	P0015573	\$23,556	Human Resources Department	BLANCHARD TRAINING & DEVELOPMENT, INC	TWO DAY SUPERVISORY AND LEADERSHIP TRAINING	
8/17/2023	P0015575	\$4,000	Operations Department - South	ELITE MOTORSPORTS, INC.	UTILITY TRAILER FOR HAND CREW	
8/21/2023	B02509	\$10,000	Operations Department - South	VCA ANIMAL HOSPITALS INC	ANNUAL VETERINARY EXAMS, TESTING, VACCINATIONS, AND MEDICATIONS FOR SEARCH K-9S	
8/23/2023	B02249-2	\$250,000	EMS & Training Department	LIFE ASSIST, INC.	NITRILE GLOVES ANSELL MICROFLEX LIFESTAR EC - LSE104	LK2505
8/23/2023	B02511	\$22,003	Logistics Department	VLOUD TECH INC.	BARRACUDA MESSAGE ARCHIVER SOFTWARE	
8/23/2023	P015391	\$5,400	Logistics Department	WESTNET	WESTNET ALERTING SYSTEM UPGRADES FS29	
8/23/2023	P0015577	\$1,753	Logistics Department	WILLIAMS & MAHER INC	FS39 GPS REPEATER INSTALL	RO2552
8/23/2023	P0015578	\$9,992	Logistics Department	WILLIAMS & MAHER INC	CONDUIT AND RACK INSTALLATION - FS44	RO2552
8/24/2023	P0015580	\$4,848	Logistics Department	ATLAS SYSTEMS, INC.	BCM50 SPARES FOR IT STOCK	
8/24/2023	P0015581	\$1,965	Logistics Department	POWERWERX INC.	PIGTAIL ADAPTERS TO CHARGE DODGE RAMS	
8/24/2023	P0015579	\$10,422	Operations Department - South	AGI US ACQUISITION, INC	NVD INFINITY FOCUS SYSTEM FOR AIR OPS	
8/24/2023	B01777-6	\$40,000	Logistics Department	CITY OF WESTMINSTER - FINANCE DEPT	PURCHASE OF UNLEADED AND DIESEL FUEL FOR OCFA VEHICLE AT THE WESTMINSTER CITY YARD	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
8/25/2023	P0015584	\$528	Logistics Department	ALERT ALL CORP.	COLORING BOOK - RECRUITMENT EVENT	
8/25/2023	P0015583	\$4,768	Logistics Department	WILLIAMS & MAHER INC	TRAILER ELECTRICAL WORK - RFOTC	RO2552
8/25/2023	P0015585	\$7,994	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER INSTALLS	RO2552
8/25/2023	P0015586	\$1,689	Operations Department - South	KAWAK AVIATION TECHNOLOGIES INC.	PARTS FOR BELL 412 SNORKEL PUMP REBUILD	
8/25/2023	P0015587	\$15,197	Logistics Department	MELMAT INC	COMM FIELD RADIO KITS	
8/25/2023	P0015588	\$2,406	EMS & Training Department	CDW GOVERNMENT	EMS RFOTC MAIN OFFICE TV	
8/25/2023	P0015590	\$1,986	Logistics Department	PACIFIC PLUMBING COMPANY	WATER AND DRAIN LINES MODIFICATION AND TES	
8/25/2023	P0015592	\$865	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING AT FIRE STATION 16	
8/28/2023	P0015582	\$9,036	Operations Department - South	TRONAIR INC	TOWBAR FOR SIKORSKY S70	
8/28/2023	P0015593	\$7,673	EMS & Training Department	HENRY SCHEIN INC.	AMBU ADULT SPUR II BAD RESERVOIR, MEDIUM MASK, AND EXPIRATORY FILTER	
8/28/2023	P0015594	\$510	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING FS61	
8/29/2023	B02513	\$2,000	Logistics Department	EVOQUA WATER TECHNOLOGIES	WATER TANK RENTAL AND MAINTENANCE - FS54	
8/29/2023	P0015595	\$9,780	Logistics Department	BAILEY'S INC.	BULK CHAIN FOR STRUCTURE SAWS FOR SERVICE CENTER	
8/29/2023	P0015596	\$16,170	Logistics Department	TERRISGPS LTD	GPS REPEATER KITS - IT INVENTORY	
8/29/2023	P0015597	\$4,238	Logistics Department	FIRE APPARATUS SOLUTIONS	PARTS FOR RESTOCK	
8/30/2023	P0015552	\$15,998	Logistics Department	WESTNET	WESTNET ALERTING SYSTEM DORM ADDITIONS FS10	COOPERATIVE
8/30/2023	P0015589	\$5,194	Community Risk Reduction Department	COUNTY OF ORANGE/TREASURER-TAX COLLECTOR	SERVICE REQUEST FORMS - CRR	
8/30/2023	B01784-6	\$8,000	Human Resources Department	CITY OF IRVINE	SERGEANT AT ARMS SERVICES	
8/30/2023	P0015598	\$5,928	Logistics Department	NTH GENERATION COMPUTING, INC.	VMWARE LICENSES - CAD IN A BOX	
8/30/2023	P0015599	\$42,095	Community Risk Reduction Department	S&H TREE LANDSCAPING AND ARBORIST SERVICE LLC	TREE REMOVALS AND TREATMENTS AT LADERA RANCH - COX SPORTS PARK	LK2609
8/31/2023	P0015601	\$5,129	Logistics Department	ALLSTAR FIRE EQUIPMENT	SCBA PARTS - SERVICE CENTER STOCK	
8/31/2023	B02517	\$100,000	Logistics Department	BRIGHTWAY ONE	CARPET, RECLINERS, AND CHAIRS CLEANING SERVICES	LK2589A
9/1/2023	B02514	\$10,000	EMS & Training Department	WM CORPORATE SERVICES	WASTE DISPOSAL/TRASH BIN SERVICES	
9/1/2023	B02105-3	\$5,000	Community Risk Reduction Department	TIERRA VERDE INDUSTRIES	WASTE DISPOSAL / TIPPING FEES	



Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/1/2023	B02357-1	\$500,000	Logistics Department	AAA OIL, INC.	UNLEADED FUEL DELIVERY SERVICES	JA2558
9/1/2023	B02099-4	\$25,000	Business Services Department	QUADIENT FINANCE USA, INC.	U.S. POSTAGE BILLING ACCOUNT	
9/1/2023	B01751-6	\$3,000	Operations Department - North	CRON & ASSOCIATES TRANSCRIPTION, INC.	TRANSCRIPTION SERVICES FOR RECORDED AUDIO	
9/1/2023	B02374-1	\$150,000	Logistics Department	BEST CONTRACTING SERVICES, INC.	ROOFING REPAIR AND MAINTENANCE	RO2553
9/1/2023	B02523	\$50,000	Logistics Department	BROOKHURST DEVELOPMENT CORPORATION	REAL ESTATE ADVISORY SERVICES	
9/1/2023	B02128-3	\$37,000	Logistics Department	ALLSTAR FIRE EQUIPMENT	HAIX FIREHUNTER EXTREME BOOTS	SK2429
9/1/2023	B02053-4	\$9,500	Logistics Department	TANKVISIONS INC.	FUEL TANK MANAGEMENT & MONITORING SOLUTIONS	
9/1/2023	B02347-1	\$50,000	EMS & Training Department	TS GOVERNMENT SOLUTIONS	FITNESS EQUIPMENT MAINTENANCE AND REPAIR	RO2551
9/1/2023	B01528-9	\$20,000	Logistics Department	ALLSTAR FIRE EQUIPMENT	FIREFIGHTER TURNOUT BOOTS	
9/1/2023	B02356-1	\$1,500,000	Logistics Department	AAA OIL, INC.	DIESEL FUEL DELIVERY SERVICES	JA2558
9/1/2023	B02019-4	\$2,100	Logistics Department	BOX, INC.	CLOUD CONTENT MANAGEMENT & FILE SHARING SOFTWARE	
9/1/2023	B02516	\$75,000	Logistics Department	GUARANTY CHEVROLET	CHEVROLET VEHICLES: PARTS AND REPAIR SERVICES	JA2612
9/1/2023	B02515	\$75,000	Logistics Department	SELMAN CHEVROLET COMPANY	CHEVROLET VEHICLES: PARTS AND REPAIR SERVICES	JA2612
9/6/2023	B01812-5	\$1,700	Logistics Department	RESOURCE SOFTWARE INTERNATIONAL LTD.	SHADOW CMS AND SA 1000 ANNUAL MAINTENANCE	
9/6/2023	P0015603	\$8,436	Operations Department - South	JOHN GERRISH & ASSOCIATES LLC	4 DAY IATA WEBINAR COURSE FOR LOGISTICS PERSONNEL	
9/6/2023	P0015604	\$31,200	Logistics Department	LEWIS / SCHOEPLIN ARCHITECTS	ARCHITECTURAL DESIGN SERVICES RFOTC ECC	RO2584
9/7/2023	B02290-2	\$103,283	Logistics Department	LN CURTIS & SONS	PERSONAL PROTECTIVE EQUIPMENT CLEANING	COOPERATIVE
9/7/2023	P0015606	\$27,968	EMS & Training Department	ISIMULATE	ISIMULATE TRAINING DEVICES FOR EMS	
9/7/2023	P0015605	\$89,537	Logistics Department	MALLORY SAFETY AND SUPPLY LLC	BALLISTIC PROTECTION	COOPERATIVE
9/8/2023	B02206-2	\$12,000	Logistics Department	LN CURTIS & SONS	BULLARD WILDLAND FIREFIGHTING HELMETS	
9/8/2023	P0015607	\$6,622	Logistics Department	WILLIAMS & MAHER INC	ELECTRICAL SERVICES FOR STATION ALERTING SYSTEM	RO2552
9/8/2023	P0015608	\$6,363	Logistics Department	DELL MARKETING, L.P.	COMPELLENT HARDWARE SUPPORT FOR IT	
9/11/2023	P0015609	\$2,324	EMS & Training Department	WILLIAMS & MAHER INC	ELECTRICAL SERVICES - EMS	RO2552
9/11/2023	P0015610	\$4,240	Logistics Department	WILLIAMS & MAHER INC	ELECTRICAL SERVICES - DATA CENTER	RO2552

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/11/2023	P0015611	\$1,959	Logistics Department	DIAMOND GLASS	REPLACEMENT OF GLASS DOOR FS76	
9/11/2023	P0015612	\$2,375	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE REMOVAL AT OCFA FS65	
9/11/2023	P0015613	\$9,250	Logistics Department	HARBOR POINTE A/C & CONTROLS	HVAC UNIT REPLACEMENT RFOTC	RO2356
9/11/2023	P0015614	\$5,360	Operations Department - South	KOKATAT INC.	PPE FOR TRT MEMBERS WITH APPROPRIATE SWIFT WATER RESCUE GEAR.	
9/12/2023	B02256-2	\$14,010	Logistics Department	CDW GOVERNMENT	SOLARWINDS SOFTWARE LICENSING AND SUPPORT	
9/12/2023	P0015616	\$749	Community Risk Reduction Department	CARAVAN GLOBAL	REPLACEMENT CANOPY TOP AND BAG FOR EASY UP.	
9/12/2023	B02346-1	\$10,000	Logistics Department	CALIFORNIA AUTO REFRIGERATION	RED DOT AIR CONDITIONING COMPRESSORS, MISC PARTS, AND TOOLS	
9/12/2023	B01594-8	\$20,000	Human Resources Department	STATE OF CALIFORNIA	FINGERPRINT CARD PROCESSING	
9/12/2023	P0015615	\$170	Logistics Department	CORKY'S PEST CONTROL	PEST CONTROL SERVICE FS67	RO2613
9/13/2023	P0015617	\$16,458	EMS & Training Department	STRYKER SALES CORPORATION	AUTOMATIC CHEST COMPRESSION DEVICES (ADDITIONAL UNITS)	SK2315
9/13/2023	B02520	\$5,000	Business Services Department	SOUTHERN CALIFORNIA NEWS GROUP	AS-NEEDED PUBLIC WORKS PUBLICATIONS / NOTICES	
9/14/2023	P0015622	\$1,192	Logistics Department	NICKEY PETROLEUM	ENGINE OIL AND TRANSMISSION FLUID FOR FLEET STOCK	
9/14/2023	P0015618	\$330	Logistics Department	CORKY'S PEST CONTROL	PEST CONTROL SERVICE FS21	
9/14/2023	P0015619	\$170	Logistics Department	CORKY'S PEST CONTROL	PEST CONTROL SERVICE RFOTC ECC	
9/14/2023	P0015620	\$3,709	Logistics Department	DADANT & SONS, INC.	TULLE BEE VEILS FOR ACADEMIES / WILDLAND SEASON	
9/14/2023	P0015621	\$5,342	Logistics Department	MAKAI SOLUTIONS	VEHICLE LIFT REPAIR - BAY 2	
9/14/2023	P0015623	\$1,056	Operations Department - South	AIR COMM SYSTEMS INC	RADIO REPAIR	
9/14/2023	P0015624	\$508	Operations Department - South	KAWAK AVIATION TECHNOLOGIES INC.	OIL LEVEL SENSOR FOR BELL 412 HYDRAULIC TANK	
9/18/2023	B02120-3	\$11,340	Human Resources Department	SPEAKWRITE LLC	TRANSCRIPTION SERVICES FOR EMPLOYEE RELATIONS (ER) ON AS-NEEDED BASIS	
9/18/2023	P0015625	\$2,810	Logistics Department	TERRISGPS LTD	GPS REPEATER INVENTORY	
9/18/2023	P0015626	\$263	EMS & Training Department	FIREVENT LLC	TRAINING EQUIPEMNT FOR VENTILATION TRAILER	
9/18/2023	P0015627	\$57,900	Logistics Department	ITZEN ARCHITECTS	ARCHITECTURAL DESIGN SERVICES FIRE STATION 23	RO2584
9/18/2023	P0015628	\$6,616	Logistics Department	SC COMMERCIAL, LLC DBA SC FUELS	OIL FOR FLEET SHOP	
9/18/2023	P0015629	\$6,592	Logistics Department	WILLIAMS & MAHER INC	ELECTRICAL SERVICES FOR STATION ALERTING SYSTEM	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/18/2023	P0015631	\$1,496	Logistics Department	WILLIAMS & MAHER INC	ELECTRICAL SERVICES FS81	
9/19/2023	P0015633	\$4,666	Logistics Department	SOUTH COAST EMERGENCY VEHICLE SERVICE	PARTS FOR UNIT 5253	
9/19/2023	P0015635	\$1,072	Logistics Department	SOURCE GRAPHICS, INC.	INK FOR HP 6200 & 6800 PLOTTERS	
9/19/2023	P0015634	\$5,874	Logistics Department	SUTPHEN CORPORATION	REPLACEMENT PARTS - UNIT # 5067	
9/20/2023	P0015632	\$6,787	Command & Emergency Planning Div	DELL MARKETING, L.P.	TOUCHSCREEN FOR ECC	COOPERATIVE
9/20/2023	B01610-8	\$1,200	Community Risk Reduction Department	AMETEK BROOKFIELD	WARRANTY RENEWAL FOR MAX-4000 MOISTURE ANALYZER	
9/20/2023	B02134-3	\$100,000	Logistics Department	FLEET SERVICES	HEAVY DUTY BRAKE AND SUSPENSION SERVICES	COOPERATIVE
9/20/2023	B02521	\$185,000	EMS & Training Department	MACLIN, REGINALD	DUODOTE AUTO-INJECTOR	JA2631
9/20/2023	P0015637	\$1,167	Executive Management	TUSTIN AWARDS INC.	CAP LENGTH OF SERVICE COINS	
9/20/2023	P0015636	\$5,525	Logistics Department	TUFF SHED, INC.	SHED FOR FS13	
9/20/2023	P0015638	\$57,000	Logistics Department	DELANE ENGINEERING, INC	ENGINEERING SERVICES FIRE STATION 23	RO2584
9/20/2023	P015122	\$8,500	Logistics Department	RSSE STRUCTURAL ENGINEERS INC.	ENGINEERING SERVICES FOR TRAINING GROUNDS	RO2362
9/21/2023	P0015640	\$27,611	Logistics Department	GRAPHIC TECHNIQUES- WALTER SCOTT KENDALL	VEHICLE DECAL GRAPHICS FOR DODGE RAMS	
9/21/2023	B01698-7	\$10,000	Logistics Department	MUTUAL PROPANE	PROPANE GAS AT FIRE STATIONS	
9/21/2023	P0015648	\$10,015	Logistics Department	ALLSTAR FIRE EQUIPMENT	PARTS TO REPAIR SELF CONTAINED BREATHING APPARATUS	
9/21/2023	B02274-2	\$25,000	Logistics Department	SANTIAGO HILLS AUTO SPA INC	OFFSITE VEHICLE WASHING AND DETAILING SERVICES	LK2519
9/21/2023	B02135-3	\$10,000	Logistics Department	LU'S LIGHTHOUSE, INC.	MISC. LIGHTING PRODUCTS - LOCAL VENDOR FOR DAILY DELIVERIES	
9/21/2023	P0015644	\$42,453	Logistics Department	FIRE APPARATUS SOLUTIONS	MISC PARTS FOR FLEET STOCK	
9/21/2023	B01973-4	\$10,000	Logistics Department	BERNELL HYDRAULICS INC	HYDRAULIC CYLINDER REPAIR/REBUILD SERVICES	
9/21/2023	P0015639	\$2,405	Logistics Department	WESTERN FLOOR TESTING	FLOOR MOISTURE TESTING AT FS 65	
9/21/2023	B02132-3	\$30,000	Logistics Department	LN CURTIS & SONS	FIRECRAFT WILDLAND GLOVES	
9/21/2023	P0015630	\$52,892	EMS & Training Department	STRYKER SALES CORPORATION	AUTOMATIC CHEST COMPRESSION DEVICES AND SUPPLIES (AS-NEEDED)	SK2315
9/21/2023	P0015641	\$61,000	Logistics Department	DELANE ENGINEERING, INC	ENGINEERING SERVICES RFOTC A & B	RO2584
9/21/2023	P0015642	\$61,000	Logistics Department	GOSS ENGINEERING, INC	ENGINEERING SERVICES RFOTC A & B	RO2584

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/21/2023	P0015643	\$8,250	Logistics Department	LEWIS / SCHOEPLEIN ARCHITECTS	ARCHITECTURAL DESIGN SERVICES FS22	RO2584
9/21/2023	P0015645	\$4,500	Logistics Department	PACIFIC PLUMBING COMPANY	GEOPHYSICAL SURVEY FS41	RO2501
9/21/2023	P0015646	\$4,305	Logistics Department	FOPCO	ANNUAL GENERATOR FUEL TANK SERVICE @ RFOTC	
9/22/2023	B02083-4	\$50,000	Executive Management	SUN BADGE CO.	BADGES, COLLAR BRASS AND ACCESSORIES	JC2428
9/22/2023	P0015649	\$10,000	Logistics Department	ROBERT STEWART ARCHITECTS	ARCHITECTUAL AND ELECTRICAL DESIGN GIS OFFICES	RO2584
9/22/2023	P0015650	\$2,478	Operations Department - South	LINEGEAR FIRE & RESCUE	FEMA US&R TASK FORCE LOGO POLOS FEMA CACHE #: LG-0125.00	
9/22/2023	P0015657	\$1,085	Operations Department - South	QUINN COMPANY	PERFORM PRE TEST INSPECTION OF GENSET ON MQ 125 GENERATOR	
9/22/2023	P0015659	\$5,839	Logistics Department	WILLIAMS & MAHER INC	LIGHTING INSTALLATION - I.T. WAREHOUSE	
9/22/2023	P0015660	\$8,295	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER AND ANTENNA INSTALL FOR FS04, FS09, FS53, AND FS59	
9/22/2023	P0015661	\$4,505	Logistics Department	WILLIAMS & MAHER INC	APPARATUS BAY ALERT LIGHTS - FS10 & FS11	
9/25/2023	B02522	\$125,000	Logistics Department	CORKY'S PEST CONTROL	PEST CONTROL SERVICES	RO2613
9/26/2023	P0015664	\$912	Logistics Department	PACIFIC PLUMBING COMPANY	INSTALL NEW WATER LINES AT FS49	
9/26/2023	P0015665	\$9,778	Operations Department - South	DADCO INC	SHIPPING CONTAINERS - FEMA US&R FEMA CACHE ITEM # LI-0109.10	
9/27/2023	B02524	\$10,000	Logistics Department	CALIFORNIA PPE RECON INC	TURNOUT REPAIR AND DECONTAMINATION	
9/27/2023	P0015663	\$4,381	Logistics Department	TALLEY COMMUNICATIONS	MULTI-BAND ANTENNAS FOR VEHICLE INSTALLS	
9/27/2023	P0015666	\$6,566	Logistics Department	WILLIAMS & MAHER INC	RESTORE APP BAY ALERT LIGHTS FOR WESTNET ALERTING UPGRADE - FS28, FS47, AND FS60	
9/27/2023	P0015667	\$2,250	Logistics Department	CONCEPT PAVING SOLUTIONS	ADA PARKING STALL STRIPING AND SIGNAGE - FS04	
9/27/2023	P0015668	\$3,916	Logistics Department	PRESIDIO HOLDINGS INC.	iPADS FOR TRAINING GROUNDS	
9/28/2023	B01622-7	\$45,000	Logistics Department	US FOODS, INC.	HOUSEWARES FOR FIRE STATIONS	
9/28/2023	P0015669	\$8,974	Logistics Department	DELL MARKETING, L.P.	PC / MONITOR	
9/28/2023	P0015670	\$347,087	Logistics Department	PRESIDIO HOLDINGS INC.	911 PRODUCTION HOST UPGRADE	RO2637
9/28/2023	P0015671	\$6,171	Logistics Department	INLAND FLOORING CONTRACTORS INC	FLOORING REPLACEMENT FS13	



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 8, 2023**

**Agenda Item No. 2E**  
**Consent Calendar**

**Updated Cost Reimbursement Equipment Rates**

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**Contact(s) for Further Information**

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**Summary**

This item is submitted to request approval of the proposed update to the OCFA Cost Reimbursement equipment rates as adopted by Cal OES California Fire Assistance Agreement (CFAA) and Federal Emergency Management Agency (FEMA).

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors approve and adopt the proposed Cost Reimbursement Equipment Rate schedule to be effective October 1, 2023, per Cal OES and FEMA.

**Impact to Cities/County**

Not Applicable

**Fiscal Impact**

The fiscal impact of the updated equipment rates will be based on the number of incidents that occur from October 1, 2023, and will be incorporated into the mid-year budget update.

**Background**

OCFA adopts the Cal OES California Fire Assistance Agreement (CFAA) and Federal Emergency Management Agency (FEMA) approved equipment rates (except for the helicopter rates, which are calculated by OCFA), to seek reimbursement for equipment use during fire incidents. OCFA was notified by Cal OES of the rate change on October 19<sup>th</sup>. Attachment 1 reflects the Cal OES updated equipment rates effective October 1, 2023.

**Attachment(s)**

Updated Cost Reimbursement Rates – Equipment effective October 1, 2023

**ORANGE COUNTY FIRE AUTHORITY**  
**COST REIMBURSEMENT RATES**  
**EQUIPMENT**  
**EFFECTIVE October 1, 2023**

DESCRIPTION	2023/24 Proposed Rate	2023/24 Adpoted Rate	\$ CHANGE	% CHANGE	SOURCE	Hourly / Daily
TYPE 1 ENGINE	\$173.47	\$141.96	\$31.51	22.20%	Cal OES	Hourly
TYPE 2 ENGINE	\$163.55	\$133.85	\$29.70	22.19%	Cal OES	Hourly
TYPE 3 ENGINE	\$156.47	\$128.27	\$28.20	21.98%	Cal OES	Hourly
TRUCK/QUINT	\$122.69	\$122.69	\$0.00	0.00%	FEMA	Hourly
AIR/LIGHT UTILITY	\$56.16	\$56.16	\$0.00	0.00%	FEMA	Hourly
AIRPORT CRASH UNIT	\$82.24	\$82.24	\$0.00	0.00%	FEMA	Hourly
CHIPPER	\$32.26	\$32.26	\$0.00	0.00%	FEMA	Hourly
CREW CARRYING VEHICLE	\$21.90	\$21.90	\$0.00	0.00%	FEMA	Hourly
DOZER	\$152.20	\$152.20	\$0.00	0.00%	FEMA	Hourly
DOZER MODULE (DOZER+TRANSPORT)	\$228.19	\$228.19	\$0.00	0.00%	FEMA	Hourly
DOZER TENDER	\$19.87	\$19.87	\$0.00	0.00%	FEMA	Hourly
DOZER TRAILER	\$18.74	\$18.74	\$0.00	0.00%	FEMA	Hourly
DOZER TRANSPORT	\$75.99	\$75.99	\$0.00	0.00%	FEMA	Hourly
DUMP TRUCK	\$65.75	\$65.75	\$0.00	0.00%	FEMA	Hourly
EXCAVATOR	\$20.46	\$20.46	\$0.00	0.00%	FEMA	Hourly
FIRE COMMAND UNIT	\$86.10	\$86.10	\$0.00	0.00%	FEMA	Hourly
FUEL TENDER	\$32.01	\$32.01	\$0.00	0.00%	FEMA	Hourly
GRADER	\$65.12	\$65.12	\$0.00	0.00%	FEMA	Hourly
HAZMAT UNIT	\$82.24	\$82.24	\$0.00	0.00%	FEMA	Hourly
HAZMAT SUPPORT	\$31.43	\$31.43	\$0.00	0.00%	FEMA	Hourly
LOADER/SKID-STEER	\$36.76	\$36.76	\$0.00	0.00%	FEMA	Hourly
MEDIC UNIT	\$265.00	\$201.00	\$64.00	31.84%	Cal OES	Daily
MULE	\$14.05	\$14.05	\$0.00	0.00%	FEMA	Hourly
PATROL/SQUAD UNIT	\$226.00	\$120.00	\$106.00	88.33%	Cal OES	Hourly
PICKUP (less than 3/4 ton)	\$166.00	\$127.00	\$39.00	30.71%	Cal OES	Daily
PROWLER	\$15.00	\$15.00	\$0.00	0.00%	FEMA	Hourly
REFRIGERATED TRAILER (29-40 ft)	\$553.00	\$553.00	\$0.00	0.00%	CAL FIRE	Daily
SEDAN	\$226.00	\$120.00	\$106.00	88.33%	Cal OES	Daily
SPORT UTILITY VEHICLE	\$279.00	\$197.00	\$82.00	41.62%	Cal OES	Daily
VAN	\$309.00	\$194.00	\$115.00	59.28%	Cal OES	Daily
WATER TENDER	\$127.21	\$104.11	\$23.10	22.19%	Cal OES	Hourly
OTHER (3/4 ton and above)	\$265.00	\$201.00	\$64.00	31.84%	Cal OES	Daily
HELICOPTER - BELL 412	\$5,651.71	\$5,651.71	\$0.00	0.00%	OCFA	Hourly

## Notes:

- (1) Helicopter rates are based on 20 years useful life without the pilot and crew chief (Captain). The new rate reflects average usage for the past four years.  
(2) Rates for the Firehawk helicopters will be added and submitted to the Board for approval when the new aircraft is placed into service.  
(3) Updated 2023 Cal OES rate effective October 1, 2023 for all CFAA orders and requests.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Budget and Finance Committee Meeting  
November 8, 2023

Agenda Item No. 2F  
Consent Calendar

**Organizational Service Level Assessment Update**

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**Contact(s) for Further Information**

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Business Services Department

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**Summary**

This agenda item is submitted to provide a progress update on the Organizational Service Level Assessments (SLAs) recommendations for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, Executive Management/Human Resources, Business Services, and Community Risk Reduction which were completed by Citygate as part of the assessments in 2020 and 2021.

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

At its regular November 15, 2018, meeting, the Executive Committee awarded a Master Consulting Agreement with Citygate Associates, LLC, the number one ranked firm in the OCFA's Request for Qualifications (RFQ) process for as-needed organizational service level review consulting services.

At its regular September 24, 2020, meeting, the Board of Directors approved the recommended actions to receive and file the results and final reports for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services and Executive Leadership/Human Resources. Furthermore, the Board of Directors also approved the issuing of Purchase Orders to Citygate Associates, LLC to conduct SLAs for the Business Services Department and the Community Risk Reduction Department and corresponding budget adjustments.

At its regular January 27, 2022, meeting, the Board of Directors approved the recommended actions to receive and file the Citygate Organizational Service Level assessment update for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, and Executive Leadership/Human Resources. The Board of Directors also approved to receive and file the Citygate Organizational Service Level Assessment results presentation and final reports for the Business Services Department and the Community Risk Reduction Department.

At its May 26, 2022, November 9, 2022 and May 26, 2023 meetings, the Board of Directors approved the recommended actions to receive and file the Citygate Organizational Service Level Assessment update for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, Executive Leadership/Human Resources, Business Services Department and the Community Risk Reduction Department.

At its regular October 26, 2023, meeting, the Executive Committee awarded a Professional Services Agreement with Citygate Associates, LLC, to update the Standards of Cover (SOC) Plan.

### **RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the Organizational Service Level Assessment (SLA) update.

### **Impact to Cities/County**

Not Applicable.

### **Fiscal Impact**

None.

### **Background**

Following a 2018 RFQ process, Citygate Associates, LLC (Citygate) was selected and awarded a 3-year term agreement, with two additional one-year renewals, to perform as-needed organizational service level review consulting services for OCFA. Citygate, is a public sector firm that provides management consulting to a full array of local government functions, with particular emphasis on fire protection, law enforcement, community development, public works, animal services, and human resources.

Five organizational SLA areas, also known as cost centers, were identified as part of the first phase of the Citygate SLA project and approved for review by the Budget & Finance Committee and the Board of Directors in 2019. The first phase of the SLAs included: Emergency Command Center (ECC), Emergency Medical Services (EMS), Fleet Services, Field Deployment (Standards of Cover), and Executive Leadership Team/Human Resources. The second phase of the SLAs were approved for review by the Budget & Finance Committee and the Board of Directors in September 2020 and included SLAs for the Business Services Department and the Community Risk Reduction Department. These assessments were intended to accomplish the same objectives as a strategic plan, but in smaller pieces, and allow for progress to be made on identified objectives, while other portions of the organization are still being assessed. Each SLA evaluates, at a forensics data-driven level, the operational performance of the cost centers, not just compared to national and Citygate team best practices, but to the needs of the OCFA, its employees and its agency customers. Each SLA is a stand-alone assessment report, which covers elements assessed, the operational metrics, and describes strengths and areas of opportunity.

Since the Board approval of the assessments, staff has been working towards implementing Citygate's recommendations that do not require an increase in costs to the organization. A listing of Citygate SLA recommendations and status updates are provided in the Attachment.

On October 26, 2023, the Executive Committee approved a refresh to the Field Deployment (SOC) that was completed during the Citygate SLA project in 2020. Although the Field Deployment SOC was completed in 2020, the data used to compile the SLA is from calendar years 2016 through 2018. The SOC will be updated to include changes in jurisdiction (City of Garden Grove joining and City of Placentia separating) and service level changes tied to COVID.

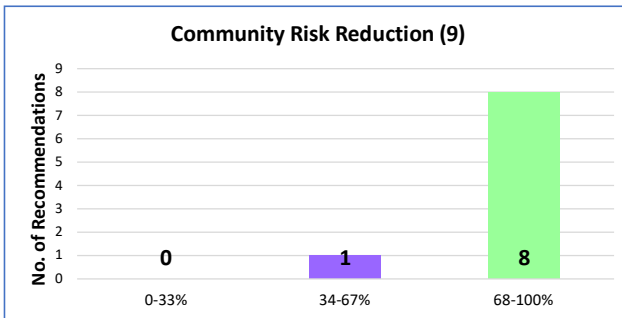
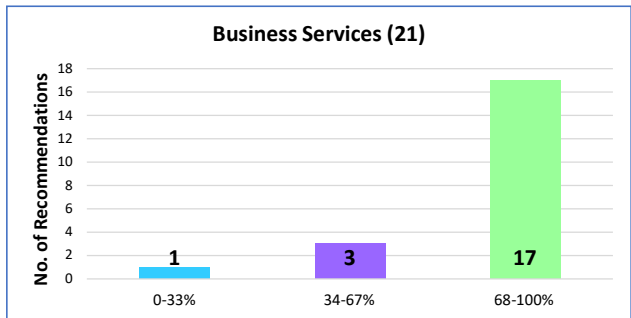
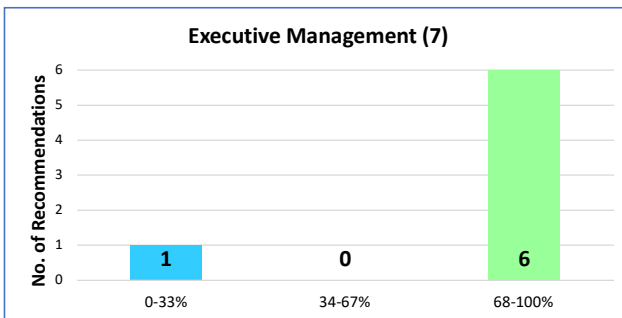
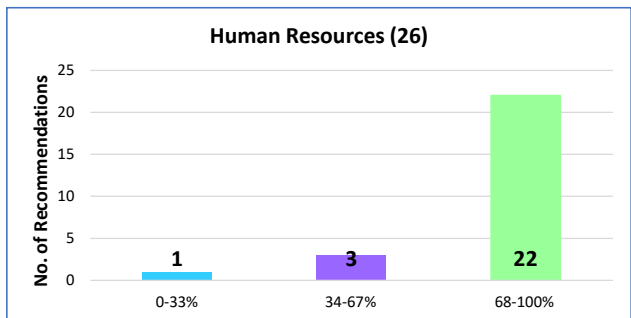
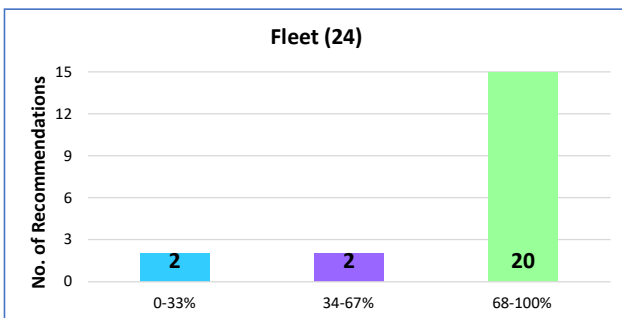
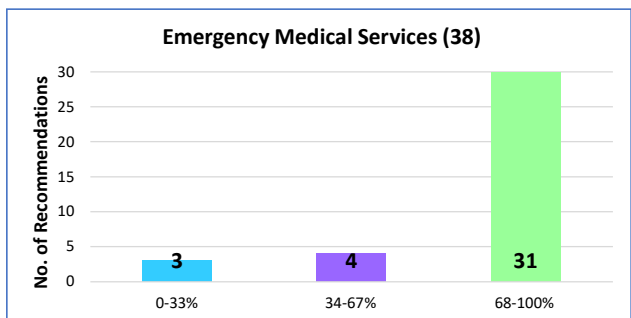
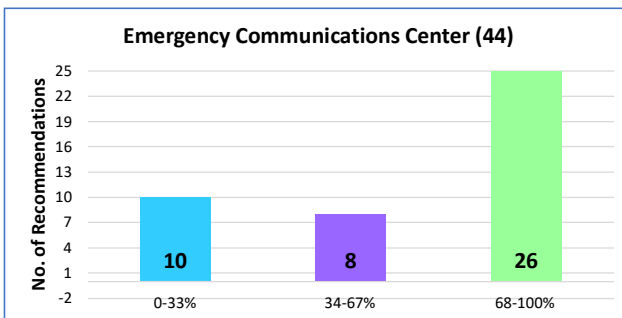
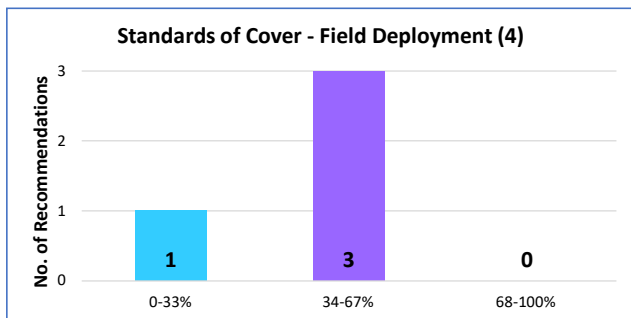
### **Attachment**

Organizational SLA Recommendations and Status Update November 2023



## Orange County Fire Authority Organizational Service Level Assessment Recommendations Status Summary – November 2023

This summary overview provides the status of recommendations within each Service Level Assessment (SLA). Additional details are included in the SLA Recommendations Status Report.



**Percentage Completed Color Key:**

- 0-33% Steps to carry out the recommendation are in early development.
- 34-67% The recommendation is currently being implemented.
- 68-100% Significant process has been made towards the completion of the recommendation or recommendation has been fully implemented.



**ORANGE COUNTY FIRE AUTHORITY  
Organizational Service Level Assessments  
Recommendations Status Report – May 2023**

**Percentage Completed Color Key:**

- 0-33% Steps to carry out the recommendation are in early development.
- 34-67% The recommendation is currently being implemented.
- 68-100% Significant progress has been made towards the completion of the recommendation or recommendation has been fully implemented.

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
<b><i>Standards of Cover – Field Deployment Service Level Assessment</i></b>							
1.1	Adopt updated Board of Directors deployment measures. (pg. 9)	No	No	Emergency Ops Bureau	While not yet adopted, staff is using the updated deployment measures to evaluate performance. First Watch software is being utilized to gather real time response data.		25%
1.2	Reduce turnout times to 2:00 minutes or less, 90 percent of the time. (pg. 10)	No	No	Field Operations	In progress. First Watch is being utilized.		50%
1.3	As soon as finances allow, OCFA should add: <ul style="list-style-type: none"> <li>A ladder truck to Station 56 (moving the ladder to Station 32 is a given).</li> <li>Five float engines (or four engines and one ladder truck) 24/7/365 to support</li> </ul>	12  60	Yes  Yes	Field Operations	<ul style="list-style-type: none"> <li>Completed the improvement of ladder truck coverage for Station 32 July 2020 (non-cost item). T56 went in service late 2022 at FS56.</li> <li>Balance of the recommendation is pending</li> </ul>		100%  0%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report.



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

**Percentage Completed Color Key:**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	peak-hour, high-activity areas, training backfill, and immediate third alarm strike force or special event staffing. (pg. 10)				future financial feasibility and prioritization. Will be evaluated with an updated Standards of Coverage document.		
<b><i>Additional Field Deployment Service Level Assessment Options</i></b>							
<b>1.4</b>	Options to Improve Deployment						
	• Relocate Station 10. (pg. 5)	12	Yes		• Station 10, In progress.		15%
	• Add Station 12 to improve capacity and coverage west of Station 22. (pg. 5)	12	Yes		• Station 12, In progress.		15%
	• Add Station 52 to add coverage. (pg. 5)	36	Yes		• Station 52, In-progress.		5%
	• Improved ladder truck coverage for Stations 19, 24, 48, 56, and 32. (pg. 5)	No	No		• Completed the improvement of ladder truck coverage for Station 32, 56 in December 2022, and Truck 24 will be in service after station 24 is completed (see 1.3). Other Stations are pending future	7/2019	50%
							100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 2



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	<ul style="list-style-type: none"> <li>• Call processing times to 90 percent of the fire and EMS incidents at 1:19 minutes are faster than Citygate's and the National Fire Protection Association's recommendation of 1:30 minutes where no language or location identification barriers exist. (pg.8)</li> </ul>				financial feasibility and prioritization.  <ul style="list-style-type: none"> <li>• Completed, call processing times included with monthly compliance reports. Efforts will be ongoing.</li> </ul>		
<b><i>Emergency Communications Center (ECC) Service Level Assessment</i></b>							
2.1	Add 10 new dispatch positions to the ECC. (pg.1) Increased authorized FTE FCD count from 32 to 42 FCDs. Overall, the increase in staff may address:	10	Yes	ECC	Pending future financial feasibility and prioritization. In addition, will be submitted in the fiscal year 2024-25 budget process.		5%



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	<ul style="list-style-type: none"> <li>The ongoing need to backfill shifts and assign overtime.</li> <li>Decrease overtime to allow the 12-hour shift schedule to be fully realized by staff so that this shift configuration can be fully evaluated as to effectiveness, retention, and performance. (pg. 53)</li> </ul>						
2.2	Increase supervisor positions from six to seven by eliminating an existing Senior Fire Communication Supervisor classification. (pg. 1)	No	No	ECC	Completed. Reallocation of position is on a temporary basis.	10/2020	100%
2.3	Reconfigure shift days off in the shift rotation in order to provide the opportunity for all ECC to have some weekend time off. (pg. 2, 57)	No	No	ECC	Completed. Implementation set for January 1, 2024.	10/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 4



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.4	Add a management analyst to the ECC structure to effectively develop and facilitate change-management processes. (pg. 2)	1	Yes	ECC	Completed. Added (rotated from another department) Management Analyst.	8/2020	100%
2.5	Reconfigure existing personnel, or modify/rotate assignments, to create a more formal CQI Unit. (pg. 3)	No	No	ECC	Completed. However, efforts will be ongoing. ECC Administrative Supervisor assigned to CQI Unit with Nurse Educator and Medical Director.	10/2020	100%

2.6	OCFA should source and establish a backup location and equip it with ECC equipment that will facilitate continuity of operations and remote connectivity options. (pg. 4)	No	No	IT	<p>This project had already been approved in the 5-year CIP prior to the Citygate recommendation and is in process for build-out of a back-up dispatch location at the OCFA's US&amp;R Warehouse. Additionally, the capabilities of the ECC emergency communications trailer located at FS43. 9-1-1 phones have been extended to its location as well as full connectivity to CAD.</p> <p>Kitchell feasibility study for layout and equipment completed. Furniture installation completed Jan. 2023. Engineer site-walk for data, power, HVAC, radio conduits completed March 2023. Contract for engineering design-bid plans/data/power approved in April 2023.</p>		50%
2.7	Evaluate the organization and reporting structure for the EPAC unit to identify the need for additional personnel to work under the assigned division chief. (pg. 40)	1	Yes	ECC	<p>Pending future financial feasibility and prioritization. In addition, will be submitted in the fiscal year 2024-25 budget process. The EPAC position requires considerable time commitment. The EPAC position will require (1) Full Time Battalion Chief or higher, or a civilian position dedicated to this role. Consider realigning</p>		5%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 6



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

**Percentage Completed Color Key:**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					with the Strategic Services Division.		
2.8	Establish a role of each position assigned to the division, as well as their reporting relationship(s) and responsibilities. Ensure that collateral duties assigned- such as CTO, incident dispatcher, and acting supervisor-are included. (pg. 40)	No	No	ECC	Completed. Classification specs have been established. Collateral duties identified and have been assigned.	8/2023	100%
2.9	Develop an ECC orientation program and mentoring guidelines to administer when the Battalion Chiefs rotate. (pg. 40)	No	No	ECC	Duty Officer Handbook and (3) 8-hour observation shifts have been implemented for new duty officers.	4/2021	100%
2.10	Develop a succession plan for future transitions. Include an analysis of retirement thresholds of existing staff	No	No	ECC	Will be evaluated for future direction.		0%





**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	and newly created positions or assignments. (pg. 41)						
2.11	Develop career paths for the ECC manager and supervisory staff by creating career-development plans for each and research industry-related (e.g., APCO, NENA, and POST <sup>15</sup> ) training courses pursuant to each position. (pg. 41)	No	Yes	ECC	Training opportunities for ECC manager and supervisor staff have been planned for CY 2024.		30%
2.12	Develop a data-tracking mechanism, whether it be CAD incidents or other data sources, to capture radio workload per 24x7 console, to determine the increase/decrease of workload over time as jurisdictions are integrated or omitted from the system. Additionally, set workload	No	No	ECC	Will be evaluated for future direction.		0%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 8



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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- 34-67% The recommendation is currently being implemented.
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	thresholds for each workstation to assist in the re-balancing of workload, should agencies be added or subtracted for ECC operations. (pg. 43)						
2.13	Consider MCP used a mid-point number for attrition, measure if using the mid-point number achieved the needed level of staffing, and operational effectiveness and efficiency. (pg. 53)	No	No	ECC	Completed. Workflow and call volume was compared with staffing levels, evaluated, addressed, and will be reviewed annually.	7/2022	100%
2.14	During each shift, ensure that the ECC staff rotates positions so that staff members are not working singular positions for extended periods of time. This wellness provision keeps staff fresh at each position. (pg. 57)	No	No	ECC	This process has updated post COVID Protocols. Staff are rotated to various positions each shift. Whenever possible, staff are also rotated to different assignments during their shift assignment.	3/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 9



**ORANGE COUNTY FIRE AUTHORITY**  
**Organizational Service Level Assessments**  
**Recommendations Status Report – May 2023**

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- 34-67% The recommendation is currently being implemented.
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.15	Examine vacation time taken so that backfill is minimized and staffing is increased to enable this time to be absorbed in shift numbers. As the ECC staff become more tenured, the amount of vacation time they take will increase. (pg. 57)	No	No	ECC	Vacation hours analysis started with management analyst. Vacation calendar created by management analyst to assist with identifying vacation time taken and track backfills. Further discussions are tabled until CY 2024.		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 10

2.16	<p>Develop and institute a Critical Staffing Contingency Plan that is invoked if staffing levels reach critical minimums. This threshold can be identified by the OCFA, but generally, elements include the agency's inability to staff to a minimum level without assigning excessive amounts of overtime (forced or voluntary). Excessive overtime is also agency defined. When manageable staffing levels are reached, which decreases mandatory overtime and backfill, the plan will be discontinued. This plan should include the following, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Consider eliminating the overlap shifts and reassign personnel to strictly the 7:00 a.m. or 7:00 p.m. shifts to establish predictable hours of backfill and a predictable pool of people to allocate time to, easing schedule complexity.</li> <li>• Assign administrative supervisors to a minimum number of hours on</li> </ul>				<p>Preliminary evaluation of this contingency plan has been completed and efforts are ongoing to fully develop this plan.</p>		85%
					<ul style="list-style-type: none"> <li>• Considered and not conducive to peak call volumes.</li> </ul>	1/2022	100%
					<ul style="list-style-type: none"> <li>• Completed. Modified from proposal.</li> </ul>	6/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 11



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	predetermined days to provide meal and break relief.						

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 12

2.16	<ul style="list-style-type: none"> <li>Identify average low-call-volume periods and decrease staffing levels to reduce forced and voluntary overtime (determine if radio positions can be combined of whether a call-taker is needed during certain time of day).</li> <li>Determine if a system that allows at least two days on the upcoming month's schedule where staff will not be forced to work overtime unless it is the last resort. If it is the last resort, a face-to-face explanation needs to be provided to them.</li> <li>Consult with HR and study the use of earned compensatory time. Under the contingency staffing plan, the ability to earn compensatory time should be suspended in lieu of cash payment to prevent staff from accumulating compensatory time for which it is difficult to provide requisite time off.</li> <li>Estimate the use of compensatory time and project both staffing and</li> </ul>	No	No	ECC	<ul style="list-style-type: none"> <li>Completed. Modified from proposal.</li> </ul>	6/2021	100%
					<ul style="list-style-type: none"> <li>Completed. Considered and not feasible. Time off schedule continuously reviewed and discussed with staff.</li> </ul>	6/2022	100%
					<p>Further discussions are tabled until CY 2024.</p> <ul style="list-style-type: none"> <li>Further discussions are tabled until CY 2024.</li> </ul>		50%

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	monetary cash-out. Backfilling a position that is earning time-and-a-half that can be banked results in a revolving process that will keep staffing levels low unless staffing strength is increased to fill the vacancy at straight time. (pg. 57, 58)						
2.17	Initiate discussions with regional ECC leaders to gauge interest and feasibility in developing regional training opportunities. (pg. 67)	No	No	ECC	Completed. Region 1 ECC's have reestablished quarterly meetings. Training is occurring and ongoing with all regional ECCs.	6/2022	100%
2.18	Ensure that CTO core competencies are being met through the selection process and offer continuing education to CTOs when available. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing. CTO program established with certification class.	1/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 14 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.19	Implement formal CTO program oversight and ensure that best practices are being applied in comparison to industry standards. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing.	1/2020	100%
2.20	Review CBD or EMD academy time frames and extend them to maximize role-play and scenario-based testing. Continue to use a building-block approach to ensure student retention and understanding of medical terminology and add new content as a QA program and testing. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing and re-evaluated after every academy.	7/2019	100%
2.21	Revisit broadcast delivery sequencing to ensure that all information has been received in the field and to	No	No	ECC	Completed. Evaluation and process reviewed.	6/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 15





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	measure policy compliance. (pg. 75)						
2.22	Ensure SOP development is well vetted, approved, trained upon, formally acknowledged (i.e., employee sign-off) and uniformly enforced, so that compliance can be measured. (pg. 75)	No	No	ECC	Multiple SOP's in ECC have been updated/ revised. Training advisories are distributed anytime there has been a change in any operational change in the ECC.	8/2019	100%
2.23	Engage field operations and regional partners to review existing regional and/or countywide response plans (e.g., CAD-to-CAD rules) and develop new plans to further cooperation with allied agencies. (pg. 75)	No	No	ECC/Field Operations	Region wide collaboration is occurring and ongoing with regional partners on an annual basis. CAD-to-CAD rules, local and regional response plans, and communication plans are ongoing and reviewed annually.	6/2022	100%
2.24	Complete review of the Metro Net Fire EMD Plus program in 2020 and choose to start forward with implementation for the OCFA	No	Yes	IT/EMS	In progress. Pre-March 2020, OCFA regularly met with MetroNet to receive updates and feedback on their EMD Plus program. EMS/ECC is		60%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 16



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	or go out to the national marketplace to review and procure a different solution for CBD that can be integrated into the CAD software for prompt workflow function as well as meeting patient care needs. (pg. 75)				currently researching automated CBD programs.		
2.25	Review the NHTSA model for EMD programs and construct an in-house program that involves all OCFA stakeholders: <ul style="list-style-type: none"> <li>• Ensure that best practices regarding program administration, duties and responsibilities are detailed and upheld to prevent bad habits from being formed from the start.</li> </ul>	No	No	EMS	Completed. From recruitment of dispatch candidates, during their entire training, while on probation, and during their entire career, dispatchers are given clear duties, expectations, appropriate quality assessment and quality improvement interventions consistent with nationally accepted standards.	9/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 17

<p><b>2.25</b></p>	<ul style="list-style-type: none"> <li>• Reinforce program administration details with SOPs.</li> <li>• To the best of the OCFA’s ability, ensure countywide alignment to achieve consistent and uniform pre-response patient care. (pg. 75)</li> <li>• When considering a product for EMD delivery, ensure that proper product support for both manual and automated systems is maintained so that the OCFA continually receives updates, enhancements and protocol changes; such e-PCR or other records management systems (RMS). (pg. 75)</li> </ul>				<ul style="list-style-type: none"> <li>• Completed. Program details and expectations are delineated in the ECC Handbook on which each dispatcher is trained and tested as part of their academy and continuing education and certification.</li> <li>• OCFA routinely meets with MetroNet dispatching agency to align dispatching procedures, protocols, and pre-arrival instructions. Due to reduced frequency of meetings due to COVID-19, both agencies are working to re-establish previous ongoing collaborative relationships.</li> <li>• Completed. OCFA’s EMD product is continually updated, and protocols are evaluated in order to comply with OCEMSA, state, and national standards. The EMD interfaces with extant record management systems within the organization.</li> </ul>	<p>4/2022</p>	<p>100%</p> <p>100%</p> <p>100%</p>
<p><b>2.26</b></p>	<p>MCP recommends two QA/QI specialists, with an evaluation at the six-month mark to determine whether a</p>	<p>2</p>	<p>Yes</p>	<p>ECC</p>	<p>One Administrative Fire Communications Supervisor has assumed CQI responsibilities. A full-time</p>		<p>50%</p>

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 18 report.



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	third person is needed. Ideally, these specialists will provide QZ analysis and feedback to ECC staff on low medical acuity calls and fire dispatch operations. By adding the fire QA processes, low acuity analysis and feedback, and high acuity analysis and feedback from the Nurse Education, these combinations result in the creation of a QA Unit. (pg. 81)				Nurse Education has been assigned to the ECC to assist with CQI as well as on-going discussion with EMS to add additional capability of overtime. ECC Staff and EMS staff are researching the ability to leverage AI for additional assistance with CQI. Further discussions are tabled until CY 2024.		
2.27	MCP recommends the newly formed QA Unit include quality performance measurements via a customer satisfaction instrument. (pg. 81)	No	No	ECC	Will be evaluated for further direction.		0%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 19

2.28	<p>Ensure that performance indicators are distinguished from measurements and that adjustments are made in alignment with national and local standards. Include the following at a minimum:</p> <ul style="list-style-type: none"> <li>• Measurement of all fire and medical life-safety call types to indicate PSAP performance. In doing so, develop mechanisms to correlate medical life-safety call types with field-outcome data to identify patient survivability.</li> <li>• Analyze how structure-fire call-processing times are being measured and adjust as needed.</li> <li>• Analyze “call received” benchmarking to determine relevance to total call-processing statistics.</li> <li>• Determine the value of developing qualitative measures for ECC’s PSAP. (pg. 81)</li> </ul>	No	No	ECC	Completed. However, efforts will be ongoing. ECC prepares monthly reports for ECC compliance with national and state standards.	1/2020	100%
2.29	Develop annual master in-service training calendars and publish them well in advance of the start date(s). Establish SOPs related to expectations regarding attendance,	No	No	ECC	In progress. Monthly training in place. Working on annual calendar for in service training. There is a pause on this initiative due to decreased		50%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 20



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	conduct and effectiveness measurement. (pg. 85)				staffing. Further discussions are tabled until CY 2024.		
2.30	Reestablish the incident communications program. (pg. 85)	No	No	ECC	Completed. However, efforts will be ongoing. ECC achieved completing qualifications for multiple ECC staff members, and many more are in a trainee status. Multiple ECC staff members have been deployed to assist with Incident Communications.	1/2021	100%
2.31	Refine and maintain an ongoing regular program of positive feedback to the telecommunicators, outside of national Telecommunicators week. (pg. 85)	No	No	ECC	In progress. Completed. However, efforts will be ongoing. ECC Staff members receive positive feedback for achievements in call compliance, childbirth and CPR saves (EMD program). This will be an area of constant development and enhancements in the ECC.	1/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 21 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.32	Offer customer-service training three hours each year, at a minimum. (pg. 86)	No	No	ECC	Completed. Training provided through various options to staff. Training will be ongoing and evaluated.	6/2022	100%
2.33	Consider a customer-satisfaction survey or another mechanism for customer input. Collaboratively, develop mechanisms to foster relationships between field personnel and the ECC staff. Extend that effort to ensure that the public can provide input about ECC services. (pg. 86)	No	No	ECC	Completed. However, efforts will be ongoing. Program is managed by Clerk of the Authority.	9/2021	100%

2.34	<p>Design, collaborate, develop, and implement a strategic technology master plan for:</p> <ul style="list-style-type: none"> <li>• Optimizing current ECC equipment, to include the CAD and notification systems, etc.</li> <li>• Evaluating current ECC technology for its necessity, applicability and utility.</li> <li>• Conducting research and development for emerging fire service and communications technology and include it in the technology master plan.</li> <li>• Assessing lifecycles of all technologies used by the OCFA ECC and include a replacement plan for all technologies that impact ECC operations.</li> <li>• Include a CAD SME that could be a lateral FCD assignment who reports to a systems supervisor or an external contractor. (pg. 93)</li> </ul>	No	Yes	IT	<p>ECC and IT staff closely collaborate in weekly status meetings on any technology and proposed. changes or upgrades are reviewed for applicability and utility. Dedicated IT staff develop technology. upgrades and monitor industry changes and advances. A formal strategic technology master plan for ECC will be developed.</p> <p>OCFA GIS Supervisor is leader in GIS NG9-1-1 representing Orange County agencies. OCFA IT staff are diligently and continually updating software versions for the ECC computer environment at the desktop and server levels (Windows, SQL, Server, VM Ware) to the most current supported versions, as well as updating CAD, VESTA, and Station Alerting systems. Working with CALOES to implement NG911 technology (new routers installed), developing upgrade for VESTA 911 phone system and VPI 911 logging recording systems.</p>		30%
2.35	Assess CAD system optimization, maintenance, server capacity and storage,	No	No	IT	<p>In progress. 3<sup>rd</sup> party not hired for hardware assessment. Internal reviews and upgrades</p>		60%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 23





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	disaster recovery and failover: <ul style="list-style-type: none"> <li>• Hire a third-party that is vendor agnostic to assess what is good and working well, and what needs improvement and enhancement. Once completed, determine the level of training the ECC staff will need and identify the ECC SMEs to be trained in a “train-the-trainer” format so that they can be individually train staff and/or conduct training in a group setting. (pg. 93)</li> </ul>				are an on-going best practice. ECC trains and uses internal SMES’s for train-the-trainer. Disaster Recovery sites identified and site improvements in-process to establish DR capability at FS43 and US&R warehouse. OCFA staff have completed upgrades to FS43 infrastructure with additional power and data lines allowing 911 VESTA and CAD connectivity to RFOTC data center. US&R warehouse updates continuing as detailed in item 2.6. OCFA IT CAD support staff conducting training for ECC SME’s. Recently completed developing a core CAD functionality stand-alone system called CAD-in-a-Box (CIB). CIB used live Sept. 9,		

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					2022, during a CAD outage and has been deployed as a backup capability for CAD.		
2.36	To maximize funding to the ECC from the state, do not replace the 911 telephony system unless a catastrophic failure is imminent or occurs between now and the implementation of the NG911 network. (pg. 93)	No	No	ECC	In progress. Waiting on Next Generation 911 but CALOES has continuing delays possibly to 2024 OCFA agrees to await NG911 implementation before acquiring NG911 telephony system. NG911 Network hardware and data lines installation by LUMEN (authorized CALOES vendor) in process. Replacement of 911 voice recording system in process; RFP issued April 2023.		50%
2.37	Collaborate with relevant stakeholders for the development of governance of the CAD-to-CAD solution. (pg. 93)	No	No	IT	Completed. The CAD2CAD (C2C) Cost Sharing Agreement was revised Feb 21, 2021, between OCFA, Metronet, Costa Mesa, Laguna Beach for the ongoing licensing and cost	2/2021	100%

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					sharing. Regional C2C team meets bi-monthly to review status of projects, upgrades, standard operations.		
2.38	Consult with CentralSquare regarding creation of a relation table that allows a unit field to accommodate a sub-addressing convention and a feature to enable multiple address points for a single structure. (pg. 97)	No	Yes	IT	Recent upgrade to the CentralSquare CAD Enterprise to version 21.1.2 adds sub-addressing and multiple address points for single location. Testing is completed.	7/2023	100%
2.39	Discuss with CentralSquare increasing mapping updated to address the inconsistency with local applications. (pg. 97)	No	No	IT	CentralSquare has implemented native ESRI Network Dataset. Adds ability for real-time CAD mapping attribute updates. Future plans include migrating native ESRI Geocoding processes.		50%
2.40	Consider a succession plan for the ECC GIS specialist. (pg. 97)	No	No	ECC	Completed. The ECC GIS responsibility has been	8/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 26 report.



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					transferred to the GIS department.		
2.41	Monitor the utilization of each commercial IT link to identify if there is a sufficient capacity to handle traffic if one link fails. This evaluation will determine if enough bandwidth is available to carry the load without degradation of service. (pg. 101)	No	No	IT	Completed. The OCFA uses COGENT which includes 2 circuits (ATT, COX) rated at 500MB each for aggregate 1GB. Either circuit could support OCFA’s needs temporarily if the other fails.	6/2019	100%
2.42	Evaluate specifications and conditions of the existing generator to NFPA 1221, section 4.7.4 and NFPA 70. (pg. 101)	No	Yes	Property Management/ECC	Included in 5 – year capital budget to upgrade generator and add 2 <sup>nd</sup> / backup generator in FY 2024/25.		0%
2.43	Conduct a cost/benefit analysis for installing a diverse path for AT&T’s network into the ECC when the State IP infrastructure is	No	No	IT	CALOES is currently installing Next Generation 911 equipment data lines and equipment in OCFA data center.		20%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	extended to the Orange County area. (pg. 101)						
2.44	Source and equip a backup location for the ECC to facilitate continuity of operations and remote connectivity options. (pg. 101)	No	No	IT	Alternative Dispatch locations have been established at Fire Station 43 where Dispatch Emergency Communications Trailer is stored. It has live connections to VESTA 9-1-1, CAD, and radio communications. It is available for short term emergency dispatching and US&R warehouse will be for long-term emergency dispatching. USAR located alternate dispatch build-out in process.		50%
<b>Emergency Medical Services (EMS) Service Level Assessment</b>							
3.1	Build a robust quality management program, consistently applied by all	No	No	EMS	Completed. The EMS Department has revised the CQI plan and has developed a	6/2021	100%

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	CQI reviewers, around three themed: <ul style="list-style-type: none"> <li>• System evaluation</li> <li>• Quality improvement</li> <li>• Patient safety / sentinel events (pg. 22)</li> </ul>				standard template for patient care report reviews.		
3.2	The Department needs to develop core, tertiary, and ad hoc performance indicators to effectively measure performance. These indicators need to be the foundation of OCFA’s quality management program. (pg. 22)	No	No	EMS	In progress. The EMS department has identified measures to assure CQI is being done consistently among staff members. Conversations with L3631 will be ongoing.		80%
3.3	Design a quality management program and CQI plan that will drive performance evaluation and use evidence-based empirical data to drive decisions in the department. (pg. 22)	No	No	EMS	Completed. The CQI plan has been revised and updated. It has been approved by OCEMS.	6/2021	100%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.4	Build a CQI plan based on state model guidelines, recognizing that the ability to do so is dependent on increasing the personnel resources available to the Department: <ul style="list-style-type: none"> <li>• CQI team</li> <li>• Technical Advisory Group</li> <li>• Quality Task Force (pg. 22)</li> </ul>	No	No	EMS	Completed. The CQI plan has been updated to reflect OCEMS and State guidance.	6/2021	100%
3.5	Create a Quality Task Force to design evidence-based quality indicators to: <ul style="list-style-type: none"> <li>• Meet state and local guidelines.</li> <li>• Meet best practices using evidence-based indicators.</li> <li>• Measure performance (pg. 22)</li> </ul>	No	No	EMS	Completed. The EMS Department has been restructured and a Quality Management Division has been established.	6/2021	100%
3.6	Develop evidence-based indicators that measure the quantity and quality of	No	No	EMS	In progress. A standardized rating rubric has been developed to provide		90%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	feedback provided to paramedics. This ensures both positive and constructive feedback is provided consistently. (pg. 22)				consistent positive and constructive feedback. Conversations with L3631 will be ongoing.		
3.7	Dedicate a data analyst or bio statistician to the quality management program to help build quality indicators and assist in developing presentations of data. This position will assist with root-cause analysis and decision-making models. <ul style="list-style-type: none"> <li>• The quality management program needs to have a full-time data specialist with knowledge and experience with data structure and how to collect and interpret data.</li> </ul>	1	Yes	EMS	An EMS Management Analyst has been hired and a reallocation of approximately 70 percent of the position’s time has been dedicated to the Quality Management Division. The reallocation has resulted in other EMS staff being assigned additional duties and is not intended to be a permanent solution in lieu of adding a data analyst position to EMS QMD.		40% <span style="background-color: #8A2BE2; display: inline-block; width: 100px; height: 15px;"></span>

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 31 report.





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	<ul style="list-style-type: none"> <li>• The Department needs to develop a system/flow where performance issues can be addressed in a systematic, objective manner. (pg. 22)</li> </ul>						
3.8	The EMS Department, organized labor, and the Human Resources Department need to work together to develop and implement “just culture” policies and doctrine within OCFA, especially for the high-volume EMS incidents. <sup>11</sup> (pg. 23)	No	No	EMS/HR	The program has been designed and initial meetings with labor have taken place and will be ongoing. This will include the feedback form.		50%

3.9	<p>The CQI team needs a robust CQI electronic data system.</p> <ul style="list-style-type: none"> <li>• OCFA needs to make information technology a priority as it relates to EMS delivery.</li> <li>• The Department needs to bolster its information technology role given its involvement in data-driven decisions.</li> <li>• The Department needs to utilize its ImageTrend electronic patient care report (ePCR) software to maximize its use.</li> <li>• OCFA needs its CQI team to have a full understanding of its ePCR system so it can maximize its use. Include automated functions that audit ePCRs for accuracy and completeness. (pg. 23)</li> </ul>	No	No	EMS	<p>In progress. The EMS Department continues to evaluate IT software which can be utilized to enhance the CQI process. Think AI software/technology needs assessment has been finalized. Validation module has been purchased to improve efficiencies within the ImageTrend PCR and FirstPass is currently being developed to automate functions of the QA process.</p>		90%
3.10	<p>The Department needs to revise its standards for documentation. These standards should be based on standards of care, best practices, and County policy where applicable. (pg. 23)</p>	No	No	EMS	<p>In progress. A revision to the Documentation SOP has been submitted into the review process in 9/2021. A working version of the EMS Handbook is nearing completion which will allow the updated Documentation SOP to move through the approval process towards 2023 mid-year.</p>		85%
3.11	<p>The Department needs to develop sound quality</p>	No	No	EMS	<p>In progress. A revision to the Documentation SOP has been</p>		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 33 report.



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	indicators to measure patient care documentation to OCFA requirements. Department-wide training and regular publishing the performance data will help personnel comprehend the impacts of their work. (pg. 23)				submitted into the review process. This is the first step in developing an accurate measure and improving data quality. A working version of the EMS Handbook is nearing completion which will allow the updated Documentation SOP to move through the approval process towards 2023 mid-year.		

3.12	<p>The EMS Department quality management program should include:</p> <ul style="list-style-type: none"> <li>• A Quality Manager from suppression with no less than Captain rank, allowing them to communicate and garner trust with the rank-and-file personnel.</li> <li>• The Department should reconfigure the EMS committee to more closely follow state EMS guidelines by utilizing the Quality Task Force Model. The EMS committee should be renamed the EMS Equipment Committee and its role be clearly defined as to its function and its place in the hierarchy.</li> <li>• When input is needed to solve identified issues, the Department needs to utilize the Quality Task Force to make recommendations back to the Technical Advisory Committee.</li> <li>• The Department needs to incorporate field personnel in the CQI process. This can be done through peer review. (pg. 24)</li> </ul>	No	No	EMS	<p>Completed. The EMS Department has been restructured to reflect these changes. A Captain now heads the Quality Management Division within EMS and a CQI team has been established. The team will be complete with the arrival of a newly hired EMS Coordinator in 10/2021.</p>	10/2021	100%
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Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 35



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.13	<p>The Department needs to develop a role for the field providers to play in the implementation of education and training.</p> <ul style="list-style-type: none"> <li>• The use of field personnel will integrate them into the process and allow them to feel more like a provider of EMS that a recipient.</li> <li>• The use of field personnel will reduce the burden on the Nurse Educators and will allow them to focus more on training and education development, as well as any roles they are required to conduct in CQI. (pg. 26)</li> </ul>	No	No	EMS	Completed. An EMS Training Cadre of Paramedics has been established and the cadre is routinely used to support training activities and as evaluators for PM accreditations.	10/2020	100%
3.14	The delivery of training needs to be scheduled in a centralized manner. Schedule	No	No	EMS/Field Operations	Completed. Operations training and EMS now reside under one Assistant Chief of EMS and	7/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 36 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	training needs to be conducted on a common calendar so both EMS and Operations can view upcoming and scheduled training. (pg. 26)				Operations Training. This transition has increased the coordination of training between the Departments.		
3.15	The decision to alter the training schedule needs to be priority-based. The priority should be established by the Department, not the individuals conducting the training. (pg. 26)	No	No	EMS	Completed.	7/2020	100%
3.16	The Department quality management program should drive training and education. (pg. 27)	No	No	EMS	Completed. The restructure of the EMS Department has established this as a normal practice.	10/2020	100%
3.17	EMS supply and logistics needs to be an integral part of the EMS strategic plan. It should be identified as its own division in the	No	No	EMS	No additional staffing has been put in place to achieve this recommendation		20%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 37



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	Department organization plan, and it must be adequately funded. (pg. 28)						
3.18	OCFA should consider two EMS supply provision options: <ul style="list-style-type: none"> <li>• Complete outsourcing of EMS supply and logistics. The Department should consider utilizing a supplier to manage supply inventory, costs, and caches to provide for just-in-time inventory restocking.</li> <li>• Or, staff EMS logistics with civilian personnel who specialize in logistics delivery and maintenance to ensure that supply best practices are applied and</li> </ul>	No	Yes	EMS/Business Services/Service Center	The EMS section is now staffed with a Supply Services Specialist position to support the delivery and maintenance function.	8/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 38



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	consistently conducted. (pg. 29)						
3.19	The Department needs to review its current controlled drugs policy and re-design practices to meet current regulations and best practices and to take full advantage of current technology. (pg. 29)	No	No	EMS	The Department continues to seek IT solutions for better narcotic tracking. Think AI software/technology needs assessment has been finalized and an RFP is in the award phase for a new narcotic dispensing system. Implementation of the new narcotics dispensing and tracking system will be in place by year end.		75%
3.20	Through the EMS reorganization, appropriate staff must be solely dedicated to licensure and certification. (pg. 31)	TBD	Yes	EMS	Pending future financial feasibility and prioritization.		0%
3.21	Department budget/fiscal activities such as billing and expenditures need to be	No	No	EMS	Will be evaluated for further direction.		50%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 39





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	conducted by support staff who have expertise in these areas. (pg. 31)						
3.22	The Department needs an information technology plan that identifies data collection needs and emphasizes the ability to easily extract reports. (pg. 31)	No	No	EMS/IT	Completed. A contractor was hired to conduct a needs assessment of information technology within EMS. Think AI software/technology needs assessment has been finalized and the needs analysis and executive summary are complete. RFP and budget authorization for replacement of PYXIX automated medication dispensing machines completed.	1/2023	100%
3.23	The EMS data system needs to assign each patient a unique identifier. It is critical the Department collect data	No	No	EMS	Completed.	1/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 40 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	regarding its patients. (pg. 31)						
3.24	Through the OCFA reorganization, an infection control program needs to be created which should be managed by a person who is also responsible for implementing infection control. (pg. 33)	No	No	EMS	Completed. Through the pandemic, infection control program has been enhanced and the infection control policy has been revised.	8/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 41



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.25	The Department should consider outsourcing the vaccination of its personnel. Vaccinations could be conducted by an outside vendor that would focus solely on managing, tracking, and administering vaccinations per the scope designed by OCFA. The process would be managed by the designated infection control officer. (pg. 33)	No	No	EMS	An assessment is being conducted for outsourcing all vaccinations.		80%
3.26	OCFA needs to reaffirm a culture emphasizing the importance of the EMS business line. (pg. 38)	No	No	EMS/Executive Management	Ongoing efforts are being made and the pandemic has elevated the importance of EMS within the organization.		80%
3.27	OCFA needs to develop a clear EMS mission and level of service, supported by a strong quality management	No	No	EMS/Executive Management	Completed. A mission statement for the EMS Department has been developed through an inclusive process with the EMS staff.	10/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 42



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	program that promotes performance. (pg. 55)						
3.28	OCFA needs to promote the culture of EMS being an important business line in new recruits to begin building legacy. Initial hiring and recruit training need to emphasize EMS and its role and importance to the community and OCFA. (pg. 38)	No	No	EMS/Executive Management	Completed. There are ongoing efforts to increase the value of EMS within the organization. A Paramedic Accreditation Academy has been developed which provides more training for PMs and lost days in EMS BLS week were restored.	2/2019	100%
3.29	The Department needs an internal strategic plan. The plan needs to be a living, breathing document designed to drive decision-making. Once completed, the plan needs to be distributed and regularly identified as the driving force behind decision-making. (pg. 38)	No	No	EMS/Executive Management	Completed. This assessment continues to provide strategic guidance. A new plan will be developed. Efforts will be ongoing.		100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 43 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.30	In conjunction with labor, OCFA needs to develop stronger incentives to retain staff officers in EMS positions, ideally longer than for the current two-year minimum. (pg. 38)	No	No	EMS/Executive Management	OCFA has made progress with the implementation of a Telecommuting SOP.		40%
3.31	When a Battalion Chief or Captain assigned to EMS promotes, OCFA should discuss with the bargaining units if there is any acceptable way to keep that promoted person in EMS until their time commitment is up (without negatively impacting the promotional line). (pg. 38)	No	No	EMS/Executive Management/HR	Completed. Agreements have been established to consider this before a move is made.	1/2021	100%



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.32	The Department needs to implement a revised organizational framework (chart). The Department needs to consist of branches and divisions. Supervisors should be given clear work expectations and should be able to interpret those expectations to the people who report them. The organization structure needs to be program-based so work roles and responsibilities are clearly defined. Clear roles and responsibilities will make it easier for supervisors to monitor the performance of their subordinates. (pg. 39)	No	No	EMS/Executive Management/HR	Completed. The EMS Department has been restructured into three divisions. The divisions are Training, Quality Management and Logistics. Workflow has been established.	10/2020	100%
3.33	The Department should have the existing, capable management analyst work	No	No	EMS	Efforts will be ongoing. Will expand the role of the Management Analyst.		70%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 45 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	with the team to develop work metrics that will measure where and how work is being performed in the Department. This data will identify gaps in staff hours and can be used to assist in budget preparation for the Department. (pg. 39)						
3.34	The Department needs to ensure the Nurse Educators are properly placed, understand where they fit in the Department organizational chain of command, and understand how they function within that structure. (pg. 39)	No	No	EMS	Completed. The EMS Department has been restructured into three divisions. The divisions are Training, Quality Management and Logistics. Workflow has been established.	10/2020	100%
3.35	The nurses need to be as centralized as possible (even for a portion of the workweek) at a common	No	No	EMS	Completed. The nurses do meet more regularly with their supervisors due to the reorganization. A centralized	5/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 46 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	facility with their leadership and support team. Currently, the nurses decide where their offices are and spend very little time at headquarters. Centralizing the nurses will provide daily interaction with Department personnel, which will help facilitate and create positive relationships and create the sense of being on a team. (pg. 39)				office space has been established for the Quality Management Division at RFOTC, leaving only the three training nurse educators decentralized. The training nurse educators meet regularly with their supervisor at HQ. The decentralized offices for the nurse educators have significant value to the organization as a whole.		
3.36	OCFA needs to develop a staffing plan based on operational need for hiring paramedics. The plan should project vacancies and the time lag from the hiring process to time on the job. (pg. 39)	No	No	EMS/Executive Management/HR	The OCFA is in the process of completing an aggressive recruitment of firefighter/paramedics and continues to evaluate options for the recruitment and development of paramedics. Efforts will be ongoing.	3/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 47





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.37	OCFA needs to evaluate all aspects of acquiring new paramedics. This includes hiring already licensed and/or accredited paramedics who, once they have completed the hiring process, fore academy, and probation, can be assessed by the Department and placed into a designated paramedic position. (pg. 39)	No	No	EMS/Executive Management/HR	Completed. The OCFA completed an aggressive recruitment of firefighter/paramedics. The OCFA continues to evaluate options for the recruitment and development of paramedics. Efforts will be ongoing.	2/2022	100%
3.38	The Department should be re-organized as shown in the following figure. An additional 12 FTEs are also recommended. (pg. 42)	12	Yes	EMS	Pending future financial feasibility and prioritization. The reorganization is complete without the necessary additional staffing.		30%
<b><i>Fleet Service Level Assessment</i></b>							
4.1	OCFA should research smaller, more fuel efficient or hybrid/electric light-duty sedans, SUVs, and pickup	No	Yes	Logistics	Complete. As part of the annual CIP budget development for Fleet, Staff will continue to research	6/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 48 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	vehicles and implementing using them where feasible. (pg. 66)				alternative fuel technologies and vehicle types. For FY 2023/24, fleet sedan replacements include electric/fuel-electric hybrid vehicles. Efforts will be ongoing.		
4.2	OCFA should consider broader use of motor pool vehicles where operationally reasonable by re-assessing individual vehicle assignments pursuant to current agency policy. (pg. 66)	No	No	Logistics	Complete. As part of the 2020/2021 budget development process, staff assessed individual vehicle assignments and will transition these individuals into pool vehicles. Efforts will be ongoing.	6/2020	100%
4.3	OCFA should consider the use of smaller, more-fuel efficient or electric/hybrid vehicles in the motor pool to the extent practical. (pg. 66)	No	No	Logistics	Complete. See 4.1 above	6/2020	100%
4.4	OCFA should annually evaluate the continued use of	No	No	Logistics	Completed. As part of the annual CIP process, all vehicles	6/2019	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 49



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	vehicles beyond their expected useful service life, particularly those vehicles more than 10 percent beyond expected useful service life. (pg. 67)				are reviewed to determine their remaining useful life and when they should be removed from frontline to reserve status. Vehicles 10% beyond their useful life are evaluated to determine if they should be surpluses or used by Training or the cadet program. Efforts will be ongoing.		
4.5	OCFA should budget annual CIP funding sufficient to maintain all frontline response apparatus within expected useful service life and reserve and support apparatus/vehicles to no more than 10 percent past expected useful service life. (pg. 67)	No	No	Logistics	Completed. As part of the annual CIP process, all frontline apparatus (along with reserve / support apparatus) is reviewed to ensure that there is sufficient funding available to replace them based on their useful life.	6/2019	100%
4.6	OCFA should develop a more strategic approach to vehicle	No	No	Logistics	Complete. Fleet staff has worked collaboratively with the	12/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 50 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	procurement to: (1) ensure procurement of budgeted vehicles within the fiscal year cycle and (2) provide sufficient procurement capacity to maintain the frontline/surge capacity response fleet within expected useful service life and as much of the reserve and support fleet to no more than 10 percent past expected useful service life as possible. (pg. 67)				Purchasing Department to streamline the fleet procurement process including the purchasing vehicles “off the lot”, purchasing off Cooperative agreements with other agencies, and has initiated use of requests for bids with lease-purchase options. Efforts will be ongoing.		
4.7	OCFA should provide 3.0 FTE additional Technician capacity as soon as possible to eliminate the current VRR backlog, maintain preventive service intervals, <i>and</i> provide a modest level of surge capacity; Citygate further	3	Yes	Logistics	Completion of backlogged fleet replacements, moving light duty mechanics to the heavy side, and extending work hours has successfully addressed the backlog of vehicle repair requests (VRR).	3/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 51 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	suggests that any additional shop staffing be considered in context with suggested alternative service model recommendations. (pg. 67)						
4.8	The Division should consider a reorganization or redistribution or responsibilities to provide a more equitable span of control among supervisory personnel. (pg. 67)	No	No	Logistics	Fleet staffing reorganization completed, include reclassification of Coordinator position to Fleet Supervisor, creating a redistribution of responsibilities and greater depth of supervision, and Admin. Assistant position reclassified to a Business Analyst.	12/2022	100%
4.9	The Division should evaluate other potential flexible work schedule alternatives, including swing/night/weekend work shift options, to accommodate employee	No	No	Logistics	Flexible work schedule, evaluated; determined implementation requires additional staff (Equipment Technicians) to accomplish; request will be submitted for additional staff employees as		85%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 52



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	needs while maintaining or improving shop output. (pg. 67)				part of a future Logistics' budget request.		
4.10	The Division should modify its current fire apparatus inspection interval to ensure a safety inspection at least every 90 days <i>and</i> inspection of all apparatus systems and components at least annually in conformance with industry best practices and recommendations. (pg. 68)	No	No	Logistics	Under evaluation for further direction. Recommendation would require additional staff (Equipment Technicians) to accomplish. Additional staff needed to accomplish; request will be submitted.		10%
4.11	The Division should review, validate, and prioritize or cancel all outstanding VRRs and notify the applicable vehicle operator/station of any cancelled VRRs. (pg. 68)	No	No	Logistics	Outstanding Vehicle Repair Requests have been reduced from 1,200 at the time of the assessment to 476 effective April 2023; or approximately 42% of annual orders to 18% effective April 2023. Measures to continue reduction of VRR turnaround are ongoing.	3/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 53



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.12	OCFA should provide additional staffing as determined appropriate to improve overall parts room capacity and efficiency to minimize shop workflow interruptions to the degree possible. (pg. 68)	Yes	Yes	Logistics	Additional positions will be requested as part of the 2024/25 Budget process.		20%
4.13	The Division should accept a vehicle safety inspection by Santa Ana shop personnel, or an OCFA mobile Field Technician, upon completion of any preventive maintenance or repairs performed by the Santa Ana shop in lieu of inspection at the OCFA shop prior to the vehicle being returned to service. (pg. 68)	No	No	Logistics	Completed.	7/1/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 54



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.14	The OCFA Fire Chief and Deputy Chief of Administration & Support Services Bureau should direct the Assistant Chief of Logistics and Fleet Division management to prioritize the recommendations contained in this report, develop a detailed action plan to address each recommendation as part of the upcoming OCFA Strategic Plan, and then report to the Budget and Finance Committee (Audit Committee) on action plan completion. (pg. 68)	No	No	EM/Logistics	Completed.	6/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 55





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.15	The Executive Management Team and Fleet Division management should continue to engage with shop staff as a strategic partner in addressing the issues identified in this report through a labor-management task force to facilitate restoration of trust and to enable the Division to move forward as a cohesive business unit. (pg. 68)	No	No	EM/Logistics	Completed. This will be an ongoing effort and has already produced very positive results	7/2020	100%
4.16	The Division should review and update all existing shop policy and procedure documents to conform with appropriate OCFA format and content. (pg. 69)	No	No	Logistics	In progress. Existing Fleet policy and procedures are in the process of being updated to conform to the OCFA format.		50%
4.17	All OCFA policies and procedures, and guidelines should be accessible	No	No	Logistics	Completed. All OCFA Policies and Procedures are available to employees via the HIVE.	6/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 56 report.



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	electronically to all employees via intranet/internet. (pg. 69)						
4.18	OCFA should provide enhanced technical training and certification of its fleet Technician personnel to include relevant ASE training/certification and CFMA training/certification. (pg. 69)	No	Yes	Logistics	Completed. Additional training courses have been scheduled. A one-week CFMA training course was held the week of November 1, 2021, with five OCFA mechanics attending. Efforts will be ongoing.	7/2020	100%
4.19	OCFA should consider establishing a career path for Assistant Technicians and Technicians desiring to advance to Senior Technician. (pg. 69)	No	No	Logistics	Completed. OCFA competed a Classification and Compensation study of Fleet Services. Included in the study was the restructuring of the current career path to allow Assistant Technicians progress to Senior Technicians without a loss of salary	6/2021	100%
4.20	The Division should seek additional vendor training to	No	Yes	Logistics	In progress. AssetWorks training resources being	3/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 57



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	more effectively utilize the available capabilities of AssetWorks. (pg. 69)				evaluated by Fleet Business Analyst and Management Analyst Aug – Dec 2021. Implementation of additional application functions planned for Jan. 2022 – June 2022, including data extraction for improved fleet CIP status reporting.		
4.21	The Division should coordinate with Information Technology to determine the availability and suitability of a car code reader interface for AssetWorks. (pg. 69)	No	No	Logistics	Telematics installed and implemented for entire fleet, providing automated transmission/interface to AssetWorks for maintenance management and scheduling.	2/2023	100%
4.22	The Division should coordinate with Information Technology and shop staff to determine whether tablets/iPads are the most suitable technology solution for Technician needs. (pg. 69)	No	No	Logistics	Complete; Tablets issued to shop staff.	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 58 report.



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4.23	OCFA should convert its facility fuel dispensing and management to an automated electronic system with appropriate security features. (pg. 69)	No	Yes	Logistics	In progress. Staff is researching various vendors and technologies. Funding will be requested as part of the FY 2023/24 CIP. Currently working with new fuel supplier on a test reporting system.		40%
4.24	OCFA should consider upgrading the current Administrative Assistant position to a Business Analyst or other classification appropriate to provide analyst-level administrative support capacity. (pg. 69)	No	No	Logistics	Complete. An analysis of current and future Fleet administrative job duties submitted to Human Resources determined that functions previously performed by the Fleet Services Administrative Assistant position evolved to the job classification of Business Analyst.	6/2021	100%
<b>Human Resources Service Level Assessment</b>							
5.1	Develop a comprehensive HR Policies and Procedures Manual to act as a	No	Yes	HR	70% of Human Resources Department Standard Operating Procedures have been reviewed and updated.		70%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 59



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	centralized source for reference. <ul style="list-style-type: none"> <li>• The HR Department needs to implement a project that gathers all its information resources, both internal and external, and reviews and assesses them for the purpose of creating a single resource. The use of an outside vendor to complete this task is highly recommended. The goal should be to complete this project within six months. (pg. 16)</li> </ul>				The Merit and Selection Rules were updated in October 2022. The Personnel and Salary Resolution is expected to be reviewed and updated in late 2023.		
5.2	Develop an Operations Manual that outlines specific steps to complete a task or program.	No	No	HR	Following the update of the Personnel & Salary Resolution and the Merit and Selection Rules, staff may begin the process developing an		50%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 60 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	<ul style="list-style-type: none"> <li>• Use the manual as a training tool and resource for HR employees. The Operations Manual will correspond to the HR Policies and Procedures Manual cited in the Recommendation #1. An Operations Manual can be created within 18 months. (pg. 16)</li> </ul>				Operations Manual for each division.		
5.3	Independently review each examination process and components to measure potential adverse impact. In those cases where review finds that adverse impact exists, evaluate the exam process to ensure it is valid and job-related. (pg. 17)	No	No	HR	Completed. A process is in place. The Promotional and Recruitment Work Group (JLM) continues to evaluate and restructure all safety promotional/recruitment examination/selection processes accordingly. For non-safety recruitments, all examination/selection processes are reviewed and	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 61 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					edited with the hiring manager prior to the opening of recruitment.		
5.4	Abandon the 80 percent passing score requirement for all examination processes. Independently evaluate each exam process and determine a reasonable cutoff score that minimizes adverse impact. (pg. 17)	No	No	HR	Completed. This has been discussed with the JLM and 80% is the preferred scoring for all safety recruitments. Non-safety score requirements are discussed during the recruitment development phase of each recruitment and the OCFA has remained with the 80% pass point. Exceptions do occur when the examination is pass/fail (Biddle, Dispatcher Select advantage exam, tools assessment exams, etc.) or when a minimum requirement is required (typing speed, memorization, listening skills exam, etc.).	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 62



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.5	Review performance standards and practices for probationary employees, especially for the Fire Recruit academy. (pg. 17)	No	No	HR	Completed. Probationary Firefighter performance is evaluated based on standardized job-related criteria. Information is in the Probationary Firefighter Task Book which include manipulative skill evaluation sheets and company evolution sheets, appraisal forms and videos for training.	9/2021	100%
5.6	Create a concise mission statement with a vision, core values, and guiding principles, as well as specific and measurable performance objectives that will deliver quality service to OCFA and the public. <ul style="list-style-type: none"> <li>• Employee probationary periods are often referred to as the last examination</li> </ul>	No	No	HR	Will be evaluated for further direction.		30%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 63





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	process. Much effort and resources are expended to create an eligible list for Fire Recruits, which annually, established to hire 100 new Fire Recruits. It is critical that <i>as soon as possible</i> , all new sworn and non-sworn probationary employees be evaluated on valid job-related standards. (pg. 20)						
5.7	Develop a systematic method of identifying, evaluating, and addressing HR Department issues to minimize disruption in the Department when a crisis does arise. (pg. 20)	No	No	HR	Completed. Bi-weekly meetings take place with all HR Managers and the Assistant Chief/HR Director to discuss projects, issues, goals and objectives that may affect one or more of the divisions. This meeting includes resource identification and management, identifying	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 64 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					project leads, and mapping out timelines and goals. These meetings ensure collaboration and minimizes redundant efforts. It also ensures consistent communication to the rest of the department.		
5.8	Determine the staffing necessary to meet HR service demands by assessing the level of service delivery desired and OCFA priorities. (pg. 20)	No	No	HR	A staffing model was developed that will address service delivery for the Department. This includes hiring the D&I Coordinate, one (1) Senior HR Analyst, and reclassification of two (2) HR Analyst. This staff plan was completed on December 3, 2021.	12/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 65

5.9	<p>Build trust and respect with employee associations through collaborative working relationships while ensuring transparency, Recommended actions include:</p> <ul style="list-style-type: none"> <li>• The ER Division should take the lead in re-establishing relationships with the employee associations after receiving staffing necessary to support this effort.</li> <li>• The Benefits Division should take the lead in developing an agency-wide philosophy and strategy for implementing a comprehensive classification and compensation plan. (pg. 20)</li> </ul>	No	No	HR	<p>Completed. All key leadership positions in the Human Resources Department are staffed. The Department continues to work on succession planning which includes cross training and professional development of Senior and Analyst level positions to ensure continuity of services.</p>		100%
5.10	<p>Re-initiate the study of the classification in the RM Division to create a professional career path. (pg. 20)</p>	No	No	HR	<p>Completed. The RM Division positions were evaluated. Recommendations to reclassify some positions and retitle others was adopted by the Board of Directors. The new organizational structure of the Divisions provides pathways to promotion for staff.</p>	7/2021	100%
5.11	<p>Hire a Behavioral Health professional to relieve the Risk Manager of directly</p>	1	Yes	HR	<p>Completed. HR onboarded the new Behavioral Health and Wellness Coordinator position</p>		100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 66 report.



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	administering the program with safety personnel, under the direction of the Risk Manager. (pg. 20)				in 2022 and programs are all operational.		
5.12	Obtain security expertise for protecting facilities and provide the resources necessary to effectively perform the agency’s security-related work. Transfer security responsibilities outside of HR. (pg. 21)	No	Yes	HR/Logistics	In progress. Based on the Threat and Vulnerability Assessment of the RFOTC campus prepared by Security Strategies International, and a Physical Security Assessment completed by the Orange County Intelligence Assessment Center (OCIAAC), The upgrade/replacement of the RFOTC access control system is in process; bids were due on 3/30/2022, and are currently being evaluated for recommendation to award in May 2022. Additionally, meetings with the Ad-Hoc Security Committee have been		90%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 67 report.



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					initiated to arrive at recommendations for award of a replacement Physical Security Services contract for consideration by the Board of Directors at their July 6, 2022, meeting.		
5.13	Develop specific and measurable performance objectives for employee performance standards. Prepare an annual HR Department performance report that highlights the Department’s accomplishments for the year. (pg. 20)	No	No	HR	A Performance Evaluation Committee was formed with representatives from management and labor to review the employee performance evaluation tool. The focus is to ensure that the standards are measurable, specific, and reflective of the day-to-day duties of each position.  A pilot roll out of the revised PER form will commence in January 2024.		80%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 68 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.14	Develop an employee recognition program for the HR Department employees, which can be variable as to frequency and type rather than just one annual award. Recognize and celebrate smaller, significant accomplishment, anniversaries, etc. (pg. 20)	No	No	HR	Completed. The HR Teams holds quarterly all-hands staff meetings which highlight positive news in the department including accomplishments, work anniversaries and other celebratory news. In addition, the department holds small get-togethers to celebrate things like birthdays, births, and other life milestones of individual staff members.	9/2021	100%

5.15	<p>Create and implement a strategy for employing a workforce that reflects the community by:</p> <ul style="list-style-type: none"> <li>Assessing the workforce and labor market to establish a geographic marketing area for recruiting.</li> <li>Designing an aggressive outreach plan that can realistically attract quality and diverse job applicants. This work should be performed in collaboration with management and the employee associations.</li> <li>Creating an outreach recruitment team dedicated to marketing the OCFA as an employer of choice. Funds will be needed to support the recruitment efforts, and employee volunteers will be needed to attend recruitment events. (pg. 22)</li> </ul>	No	No	HR	<p>Completed and ongoing. A 60-member Outreach and Recruitment Team was formed with focused recruitment efforts in several sectors including High School and College Athletics, Military, EMT/Paramedic Schools, Cadets, Handcrew, Professions/Non-Sworn. Under the leadership of a Battalion Chief, the team's recruitment efforts are in alignment with the Authority's mission to recruit and retain top talent.</p>	5/2023	100%
5.16	<p>Develop a strategy and process to increase the completion rate of employee performance evaluations. (pg. 23)</p>	No	No	HR	<p>Completed and ongoing. A HR staff member is responsible for running a regular query of outstanding performance evaluations monthly. For staff that are evaluated using NEOGOV, automatic emails are</p>	12/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 70



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					generated to remind supervisors and managers that evaluations are due.		
5.17	Research and develop a plan to expand the use of NEOGOV Perform for all OCFA employees, including new performance evaluation forms, and commit resources for additional staff, if required. (pg. 23)	No	No	HR	The next phase will see the roll-out of the NEOGOV perform module to Chief Officers Associations following the completions of the updates to the COA Performance Appraisal Form		70%
5.18	Develop a required employee performance evaluation training course for supervisors and managers, teaching supervisors and managers how to properly complete the performance evaluation and effectively communicate the ratings in the performance evaluation. (pg. 23)	No	No	HR	A Performance Management module is part of each Academy Curriculum for Company Officers. Additional training resources were identified, and a webinar course was made available to all Chiefs, Supervisors and Managers on writing performance evaluations (February 2022) This online	2/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 71





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					option will be deployed annually as a refresher. In person options for training will continue to be evaluated as COVID restrictions are lifted.		
5.19	Develop accountability for completion of performance evaluations through the creation of a job performance standard for supervisors. Include the completion of performance evaluations as a factor in determining merit salary increases for supervisors. (pg. 24)	No	No	HR	In progress.		50%

5.20	<p>Demonstrate strong commitment to the mission and vision of the HR Department by:</p> <ul style="list-style-type: none"> <li>• Strengthening the HR Department's inclusion in major OCFA decisions.</li> <li>• Planning new OCFA programs or assignments in collaboration with the HR Department to minimize the time the HR Department spends operating in a reactionary mode.</li> <li>• Allowing the HR Department to operate within agency policies and values without interference outside of the chain of command and labor relations discussions.</li> <li>• Relying on the HR Department to provide sound and credible advice. (pg. 26)</li> </ul>	No	No	HR	Completed. HR Department staff are key stakeholders in committees engaged in evaluated OCFA operations including the Training and Promotions JLM, Personnel Evaluations Committee,	9/2021	100%
5.21	Consider studying the transfer of major and sensitive alleged employee misconduct investigations from the Employee Relations Division to a new and separate unit that is accountable to and reports	No	No	HR	Completed. Under the direction of the Assistant Chief/Human Resources Director, major or sensitive alleged employee misconduct investigations may be conducted by an independent 3 <sup>rd</sup> -party investigator to mitigate any conflicts and	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 73



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	directly to the Fire Chief or a Deputy Chief. (pg. 26)				ensure a fair an unbiased investigation. The Assistant Chief/Human Resources Director reports to the Deputy Chief/Administration and Support Bureau		
5.22	Reinstitute the Organization Development Division and place it under the HR Department. Allow the Division to: <ul style="list-style-type: none"> <li>• Perform a thorough study of the OCFA’s professional training needs and desires. (pg. 27)</li> <li>• Develop a comprehensive training program that supports employee professional development, leadership development, and succession planning. (pg. 27)</li> </ul>	No	No	HR	The Training Division under the direction of the Assistant Chief/EMS oversees training and preparation for safety promotions. For non-safety personnel, funds have been set aside for the development of a leadership development program for managers, supervisors and front-line employees. The Department is in the process of recruiting for the Organizational Development and Training Manager who will oversee programs for professional staff.		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 74 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.23	Work with the IT Division within the Logistics Department to develop enhanced protection of employee personnel files so that data can be shared with Risk Management and third-party secure sites to complete required reports in a timely manner. (pg. 28)	No	No	HR/Logistics	Discussions have started to evaluate the use of LaserFiche Document Management System as a secure method for storing personnel files. This would allow for secure access by all HR divisions. IT is prepared to support HR/Risk Management with implementation.		40%
5.24	Research and implement an automated signature program that will electronically send documents under a secure system to internal parties required to sign any document. (pg. 28)	No	No	HR/Logistics/Business Services	Both the Purchasing Division and the Finance Divisions have implementing workflow processes in collaboration with IT. This includes automating the Purchase Requisition and the Accounts Payable invoice approval processes. The Clerk’s Office is exploring the possibility to expand the workflow and approval processes to incorporate		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 75



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					contracts/agreements. IT is prepared to support the Clerk/HR/Risk Management with implementation.		
5.25	Support the July 2019 implementation of electronic employee time sheets for non-safety personnel. (pg. 28)	No	No	HR/Business Services	Business Services is implementing a program that would allow for digital entry of time and electronic approvals. The Finance Division and two Human Resources divisions have transition to electronic timesheets. Staff is currently piloting electronic time sheets in ECC and will continue to phase in all other non-safety departments by Spring of 2024. Human Resources successfully migrated two divisions to electronic time sheets with deployment planned for the whole department.		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 76



**ORANGE COUNTY FIRE AUTHORITY**  
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.26	Study the feasibility of providing exam raters with tablet computers (e.g., iPads) to record exam performance, leading directly to more effectively tabulating scores and retaining examinations records. (pg. 28)	No	No	HR	Completed. iPads are used on a case-by-case basis. We have utilized “iPads” for use during oral interviews and the reviews are mixed.  For large scale recruitment (FF), raters prefer the paper copy method as during these interviews candidates are asked to submit additional information and paper score sheets and additional candidate material is easier for multiple interview panels to maintain. Since allowing for Zoom interviews, raters who are participating in Zoom interviews while off site have utilized electronic material with some success.  Issues are typically with the rater’s ability to utilize	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 77



**ORANGE COUNTY FIRE AUTHORITY**  
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					electronic technology and in some cases inability to access documents (applications and rating sheets). We have found some success in utilizing electronic testing for candidates and we will continue to utilize when appropriate as the electronic testing has become more prevalent		
5.27	Revise the office configuration to house the HR Director within the HR Department. (pg. 29)	No	No	HR	Completed. It was determined that the HR Director would continue to be housed in the Executive Offices to facilitate necessary collaboration and communication with the other Executive Managers.	9/2021	N/A

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 78



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
<b><i>Executive Management Service Level Assessment</i></b>							
6.1	Executive-level coaching by experienced members of an outside consultant with executive-level experience is needed. Team-building exercises and off-site workshops are very valuable in filling the gaps and building trust between Executive Management Team members. (pg. 11)	No	No	EM	Completed. At the time of this review, the Executive Team had been experiencing turnover among team members and was in the process of rebuilding. Bob Roper (former Fire Chief with executive level experience) was retained for development and coaching services. The team has now established stable processes with (1) recurring weekly meetings among the Deputy Chiefs and Fire Chief; (2) weekly meetings of the full Executive Management Team; (3) monthly offsite lunches for the Executive Team; and (4) monthly expanded meetings to include all Executive	1/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 79





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					Management and the Division Chiefs.		
6.2	Continue to work on team-building practices and strengthen communication avenues through Executive Management Team members. Consider building a Team interaction agreement to maintain a culture of unified communication and decision-making processes. (pg. 12)	No	No	EM	Completed. See 6.1 above	1/2021	100%
6.3	Continue to recruit, train, and hire qualified Public Information Officers (PIOs) who will handle routine and emergency communications for OCFA. Ensure there is a qualified pool of PIOs to spread the commitment and reduce burnout. (pg. 12)	No	No	EM/Corporate Communications	Completed. Effective January 2020, PIO staffing was materially modified and enhanced to transition from a single 40-hour workweek PIO, to three shift PIOs for coverage 24-hours per day, 7 days per week. In addition, a pool of relief PIOs are available to	1/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 80 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					provide relief for the three shift PIOs when needed.		
6.4	Where appropriate, include the Fire Marshal and other non-field operations managers in executive-level policy change discussions and encourage the Field Operations Assistant Chief and Fire Marshal / Assistant Chief to regularly meet. (pg. 12)	No	No	EM/Community Risk	Completed. The Fire Marshal participates in weekly Executive Team meetings, which are also attended by the Operations Assistant Chief for mutual vetting of potential policy or process changes impacting both departments.	1/2020	100%
6.5	Consider holding the Executive Leadership Team meeting every two weeks. (pg. 13)	No	No	EM	Completed. See 6.1 above	1/2021	100%
6.6	Develop a process by which non-time-sensitive executive-level issues are vetted through affected Executive Management Team members (pg. 13)	No	No	EM	Completed. See 6.1 above	1/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 81 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
6.7	Create a Strategic Planning team/process/unit to provide planning expertise and establish sound planning practices throughout the organization. (pg. 13)	No	Yes	EM	Pending future financial feasibility and prioritization. As part of the proposed spending plan for overhead contributions that OCFA would receive if the City of Fullerton joins OCFA, staff proposed the addition of a Strategic Planning Battalion Chief to facilitate the creation of this unit, and to lead ongoing strategic planning work for OCFA.		30%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 82



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
<b><i>Business Services Service Level Assessment</i></b>							
7.1	Conduct an externally facilitated team building and goals and objectives development session to improve Department cohesiveness, communication, and morale.	No	Yes	BSD	Completed and on-going with two BSD Team Building Events per calendar year. Currently being implemented with internal resources. Two Department Wide team building events have taken place in the 2022 and 2023 calendar years. The 2023 Goals and direction for the Business Services Department are shared as part of the Division Quarterly Update meetings.	10/2023	100%
7.2	Implement team-wide meeting schedules throughout the Department, involving division management and team members to maximize communication effectiveness. This would	No	No	BSD	Completed. Assistant Chief has Bi-weekly one on one meetings with Division Managers, bi-weekly Division Manager Team meetings, quarterly Division meetings, and bi-yearly Department all hands team building events. Division	1/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 83



**ORANGE COUNTY FIRE AUTHORITY**  
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	include establishing set times during the week or month so employees can plan around existing work schedules.				Managers conduct bi-weekly meetings with Managers and Managers conduct meetings with staff.		
<b>7.3</b>	A Department second-in-command should be identified to ensure business continuity if the Assistant Chief cannot be reached to provide direction (while out of the office, on vacation, sick, etc.). This recommendation relates to the assignment of an existing management staff member to this responsibility. This responsibility could also be rotated between the applicable management staff to assist in succession development.	No	No	BSD	Completed and efforts will be ongoing. Assistant Chief assigns a Division Manager to provide direction when out of the office. This is assigned on a rotational to encourage succession planning.	9/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 84



**ORANGE COUNTY FIRE AUTHORITY**  
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
7.4	Expand performance measures to include measures specific to all sections of the department.	No	No	BSD	Performance metrics are maintained for each Division and updated as part of the Budget Development process.		100%
7.5	Build a more supportive, integrated, recognized, and valued business services unit by: <ol style="list-style-type: none"> <li>1. Acknowledging staff concerns and issued when they are raised.</li> <li>2. Using scheduled Department meetings and one-on-ones to engage staff in problem solving, including concerns and issues raised as well as on OCFA-wide issues to which the Department can be of service internally.</li> </ol>	No	No	BSD	Completed and ongoing. Discussions during Division Manager one-on-one meetings, Division Manager all hands meetings, quarterly all hands Division meetings include the review of Department goals, upcoming large-scale projects, morale, productivity, and performance. Meetings include the opportunity to share and address openly any issues impacting staff and potential resolutions. Meetings also provide all employees an opportunity to share ideas, process improvements, and		100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 85 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	3. Combining listening and problem-solving components into team building efforts, allowing Department members to be engaged in solutions for business operations issues including those that may touch on improving services to other OCFA departments and services.				demonstrate that our employees are valued. Two Departmentwide Team Building events have taken place in 2022 and 2023		
<b>7.6</b>	The fee waiver/revision policy should be amended to set parameters for oversight when it is within policy to waive or revise the collections fees.	No	No	BSD	Completed. Staff reviewed the policy based on Citygate’s recommendation and determined the policy is working as intended.	11/2021	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 86



**ORANGE COUNTY FIRE AUTHORITY**  
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
7.7	Update the CAL-Card policy to ensure effective allocation procedures and more specifically identified disciplinary consequences of CAL-Card misuse.	No	No	BSD	In progress. Travel and Business Expense SOP update in progress. After the Travel and Business Expense SOP changes have been made, Purchasing will update the CALCard SOP.		75%
7.8	Complete the current review of CAL-Cards use history and necessity for current cardholders to determine if all cards distributed are necessary.	No	No	BSD	Complete. Staff has implemented routine audits of cardholders to continually ensure all cards currently distributed are necessary.	4/2022	100%
7.9	Consolidate the various fund balance policies into a single policy to minimize confusion.	No	No	BSD	Staff evaluated the recommendation and will continue to maintain separate fund balance policies and list them in a centralized location such as the budget book.	5/2023	100%
7.10	Establish a process to randomly test the adherence	No	No	BSD	In progress. While existing random tests already exist, staff are developing additional		60%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 87 report.





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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	to policies within the Department.				methods to test internal policies prior to the external audit.		
7.11	Ensure timely reporting of fraud items and disposition to the appropriate body as required by the fraud hotline program.	No	No	BSD/HR	Responsibility of the fraud hotline lies with the Human Resources Department. Treasury Procedures were revised in 2021 to include additional reporting on banking related fraud items. Staff drafted a conceptual fraud policy to augment the current fraud hotline. Conceptual policy is on hold due to departure of Finance Division Manager.	2021	100%
7.12	Explore expanding the processing time for payroll after the end of the pay period to reduce need for staff duplication of effort to correct errors.	No	No	BSD	Prepared MOU language to expand payroll processing times and tentatively scheduled for a 2024 implementation. Date changed approved by all labor groups.	7/2023	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 88



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
7.13	Complete the current review for expansion of the processing time for accounts payable to three days prior to the processing of accounts payable checks.	No	No	BSD	Reviewed and updated policy have been completed in 2021. Additionally, the AP deadline calendar was further updated to provide staff a full two weeks to review. New calendar released October 2023.	11/2021	100%
7.14	Continue to work with the Human Resources Department to formalize roles and responsibilities between two departments to eliminate duplication of effort related to payroll and Human Resources employee service.	No	No	BSD/HR	Payroll and HR benefits meet on a recurring 2-week basis to discuss processes, coordinate upcoming projects, resolve issues, improve communication and reduce duplication of effort.	7/2023	10%
7.15	Develop a procedure to standardize billing information input.	No	No	BSD	Initiated discussion with CRR as this will be addressed via the implementation of the new ORION, CRR RMS System.		70%
7.16	Determination should be made as to the Information	No	No	Logistics/BSD	IT has documented the source code. Furthermore, IT, BSD and		75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 89



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	Technology Department staff’s understanding of the source code relating to the current staffing and timekeeping systems. Training should be conducted, as necessary, to ensure the systems have multiple levels of support to ensure that, in the case of a major system failure, payroll operations can continue.				Operations/Staffing conducted a staffing needs assessments with Gartner LLC. The assessment will be finalized in November 2023.		
7.17	Automate procurement and accounts payable processes within the two separate purchasing and accounts payable functions. The current project relating to the use of the Laserfiche program in the accounts payable function should be	No	No	BSD	Purchasing component, in progress and completed electronic approval of purchase requisitions.  Finance initiated pilot testing in December 2022. Testing of vendor modifications is currently in progress.		75%  75%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 90



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	revisited to ensure it meets the needs of OCFA.						
7.18	Repeat training on the Banner system for all applicable staff. This training should include instruction on the modules available on the most recent upgrade of the Banner system.	No	TBD	BSD	Currently, training is provided on an as needed basis for new and existing employees. Desk procedures are being reviewed and updated to reflect application updates.		75%
7.19	Explore options for implementation of a fully integrated Enterprise Resource Planning system that meets the needs of the Department and OCFA. This would provide the best solution to not only address workload issues caused by the numerous workarounds currently used but would also increase staff efficiency while providing other positives to	No	No	BSD	Funding for the new ERP is included in the 2022-23, 5-year CIP. The BSD and IT staff participated in a GFOA hosted ERP implementation training on 10/31/2022.  BSD and IT have partnered to conduct a needs assessment of the staffing system in anticipation of a new ERP system. The staffing needs		50%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 91 report.



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	benefit the organization such as strengthening internal controls, improving policies and procedures, providing comprehensive training programs for staff, increasing staff morale, and reducing overtime to minimize staff burnout.				assessment will be finalized in November 2023.		
7.20	Review the Departments system’s support capabilities in the Information Technology Department to ensure they are adequate.	No	No	BSD/Logistics	See above responses to recommendations 7.16, 7.19 for Timekeeping and Staffing application support. ERP funding now included in 5-Year CIP. Staffing needs assessment to be finalized November 2023.		75%
7.21	Department management should continue to work with the Human Resources Department to develop formal professional development and training	No	No	BSD/HR	This is tied to HR 5.22 and the addition of a new Organizational and Development Training Coordinator. HR is developing organization wide training that		60%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 92



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	programs. Once developed, the programs should be presented to Department staff for feedback and revised as appropriate.				is applicable to the BSD. BSD staff have attended Situational Leadership training, Women in the Fire Service conference, and have signed up for Courageous Conversations training. These training and development opportunities are in addition to technical and professional organizational training and conferences BSD staff attends.		
<b>Community Risk Reduction Service Level Assessment</b>							
<b>8.1</b>	Consider reorganization of the Planning and Development New Construction Section to provide a better ratio or supervisors to subordinates.	No	No	EM/CRR	Reviewed recommendation to better the supervisor to subordinate ratio. New tiering plan has been implemented.	3/2022	100%
<b>8.2</b>	Develop clear performance goals for the Wildland Pre-	No	No	CRR	Short term goals have been identified and completed. Long	3/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report. 93



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	Fire Management Division Planning Section.				term goals are under development.		
8.3	Collaborate with all OCFA member jurisdictions to ensure early CRR involvement in all development discussions to provide early awareness of any CRR concerns or prospective conditions.	No	No	CRR	Liaison team members are assigned to all partner agency Planning Departments to improve collaboration efforts.	3/2022	100%
8.4	Consider assigning all Environmental Impact Report reviews to a single Planning and Development Section position, with appropriate redundant capacity and skill to ensure consistency of review and response.	No	No	CRR	Training underway to transfer EIR responsibilities to newly recruited CRR Business Analyst.		50%
8.5	Consider adding appropriate internal analyst-level capacity to manage implementation, training, and ongoing overall	No	No	CRR	Completed. Reclassification of three Management Assistants to Business Analyst utilizing	3/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 94 report.



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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	Orion program coordination and Department-wide data analysis.				funds from a vacant position. Cost neutral.		
<b>8.6</b>	Consider providing additional critical IT/GIS support capacity for the CRR Department.	TBD	TBD	CRR/Logistics	GIS has expanded its support footprint with CRR by developing multiple applications including Field Maps/PFS, LRA Defensible Space Inspections and Power Poles Inspections collector apps. ORION CRR RMS system is including a GIS mapping component to improve CRR visibility and inspection		95%
<b>8.7</b>	Provide appropriate internal CRR capacity to provide overall planning and coordination of all Department training.	No	No	EM/CRR	Completed. Recruited an Assistant Fire Marshal to create and facilitate an annual training program. Funding was already budgeted.	3/2022	100%
<b>8.8</b>	Provide 6.6 to 13.25 additional estimated FTE staffing capacity as funding	6.6 to 13.25	Yes	EM/CRR	Pending future financial feasibility and prioritization.	3/2022	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA 95 report.





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	permits to resolve identified staffing capacity gaps and single points of failure.						
<b>8.9</b>	Conduct an updated fee study in 2022.	No	No	CRR/BSD	Completed. Updated fees were approved by the Board of Directors at the April 28, 2022 meeting.	4/2022	100%



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Budget and Finance Committee Meeting  
November 8, 2023

Agenda Item No. 2G  
Consent Calendar

**Approval of Annual Statement of Investment Policy,  
Broker/Dealer List and Investment Authorization**

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**Contact(s) for Further Information**

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**Summary**

This annual agenda item is submitted to the Committee in compliance with the Orange County Fire Authority's (OCFA's) Investment Policy that requires the Annual Statement of Investment Policy be reviewed and approved by the Budget and Finance Committee and the Board of Directors. The Broker Dealer List that the Treasurer uses for competitive bidding of investment purchases is updated every three years and is also included for approval.

This item is also being submitted in compliance with Government Code provisions which require the Board of Directors to review and renew the annual delegation of investment authority to the Treasurer for a one-year period.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2024.
2. Review and approve the Broker/Dealer list for a term of three years through November 30, 2026.
3. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2024.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

## Background

The Statement of Investment Policy is reviewed annually and revised by the Treasurer, if needed. The proposed Policy is then submitted to the Budget and Finance Committee and Board of Directors for approval to become effective on January 1 for the calendar year. During the past year, there were no significant legislative amendments to the California Government Code regarding investments. Therefore, staff recommends that the investment policy remain unchanged. The Proposed Investment Policy is attached for review and approval, to be effective January 1, 2024. (Attachment 1).

The Investment Policy encourages competitive bidding on investment transactions from an approved list of broker/dealers. The list is reviewed every three years by the Treasurer and revised, if needed. The proposed List is also submitted for approval. The OCFA's policy for selection and use of broker/dealers follows the best practices issued by the Government Finance Officers' Association and is prescribed by policy in the OCFA's Annual Investment Policy (Attachment 1).

To qualify, broker/dealers must meet the following *minimum* requirements:

- Agree to comply with the investment policies of the Authority
- Be a primary or regional dealer that qualifies under the Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule)
- Have a branch office in California
- Be experienced in institutional trading practices and familiar with the California Government Code as related to investments for local governmental agencies
- Have been in business for at least three years
- Provide current audited financial statements
- Provide proof of Financial Industry Regulatory Authority (FINRA) certification

Staff also reviewed the FINRA reports that provide additional information on any disclosure events where the firm was named as a respondent. FINRA oversees virtually all U.S. stockbrokers and brokerage firms. It writes and enforces the rules based on Federal securities law and is overseen by the Securities and Exchange Commission. The financial industry is heavily regulated and litigated as reflected in the number of disclosure events reported by FINRA.

In reviewing the FINRA reports, staff considered the following in assessing the disclosure events:

- Did any events occur in the government sector also known as the municipal market?
- Are the brokers assigned to OCFA's account involved in any events ?

If answers to above are "yes"

- Did the firm take action against the employees involved?
- Did the firm take steps to put controls in place to prevent the event from reoccurring?

The following firms are currently on OCFA's list of approved broker/dealers and recommended for renewal: FHN Financial Securities Corp., Raymond James Financial Services Inc., RBC Capital Markets, LLC, Stifel, Nicolaus & Company, Inc., and Wedbush Securities Inc. Their FINRA reports are updates since their last review in 2020. **The Lead Broker from each recommended firm has no disclosure events in FINRA.**

This list shall remain in effect for three years until November 30, 2026 as required by OCFA's Investment Policy. Staff has the ability to discontinue use of the approved brokers at any time, and prior to the conclusion of the three-year period.

## Attachment(s)

Proposed Investment Policy (to be effective January 1, 2024)



# **ORANGE COUNTY FIRE AUTHORITY**

**2024 INVESTMENT POLICY**

## INVESTMENT POLICY

### History of OCFA's Investment Policy & Cash Management Program

Following the formation of the Orange County Fire Authority (the Authority) in March 1995, OCFA funds were initially invested in the Orange County Investment Pool (OCIP) and the Local Agency Investment Fund (LAIF). At that time, investment options were limited since the Authority was using County services for treasury, banking, and accounting systems pending implementation of its own systems. During this transitional stage, OCFA staff worked to establish independent banking, custodian, and broker/dealer agreements, installed a portfolio management system, and implemented the Banner Financial System. Staff also researched and drafted a comprehensive Investment Policy. On January 1, 1997, the OCFA Board of Directors adopted the Investment Policy and appointed a Treasurer. Immediately thereafter, OCFA assumed in-house responsibility for Treasury services and implemented its own Cash Management & Investment Services Program.

As the Cash Management program evolved, all remaining funds in the OCIP were gradually withdrawn. The Treasurer invested these funds in individual securities and scheduled maturities to correspond with cash flow needs. Investments included Treasury and Federal Agency securities, prime quality commercial paper, money market mutual funds (U.S. Treasury Obligations), and LAIF.

Since inception in 1997, the Treasurer has continued to refine the Investment Policy on an annual basis to meet the changing needs of the Authority. The Policy has also been formally recognized by the Association of Public Treasurer's of the United States and Canada (APTA US&C). Certification is awarded when an investment policy meets the professional standards set forth by MTA US&C. Agencies may submit for re-certification after significant changes are made to the Policy.

During the past year, there were no significant legislative amendments to the California Government Code regarding investments.

# INVESTMENT POLICY

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## INVESTMENT POLICY

### ORANGE COUNTY FIRE AUTHORITY

1. **Policy:** The Orange County Fire Authority shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives, in priority order, of safety, liquidity, and return on investment.
2. **Scope:** This Investment Policy applies to all financial assets of the Orange County Fire Authority which are available for investment by the Authority's Treasurer; except that funds in the Authority's deferred compensation plan, defined contribution plan, and security deposits held in escrow in lieu of retention are excluded from this investment policy. The funds governed by this policy may be referred to herein as the OCFA portfolio.
  - 2.1. The Authority's funds are accounted for in the Annual Comprehensive Financial Report (ACFR) and include the funds listed below and any new fund created by the Board of Directors unless specifically exempted.
    - Fund 121 General Fund
    - Fund 122 Facilities Maintenance and Improvements
    - Fund 123 Capital Projects
    - Fund 124 Communications and Information Systems Replacement
    - Fund 133 Vehicle Replacement
    - Fund 171 Structural Fire Fund Entitlement
    - Fund 190 Self-Insurance Fund
    - Fund 422 Extra-Help Retirement Trust
  - 2.2. Bond fund investments will be held separately and made in accordance with the bond debenture requirements.
  - 2.3. Retiree Medical Trust Funds may be held separately from the OCFA portfolio and invested in accordance with California Government Code Section 53620 to 53622 and/or Section 31694.3.
  - 2.4. Additional trust funds may be set up to help reduce OCFA's unfunded pension

liability. These funds may be held separately from the OCFA portfolio and invested according to guidelines provided by OCFA.

3. **Prudence:** The standard of prudence to be used shall be the “prudent investor” standard (in Probate Code Sections 16040-16042 and 16045-16054 cited as Uniform Prudent Investor Act) and shall be applied in the context of managing the overall portfolio, not to a single item within a diversified portfolio. Investments shall be made with judgment and care (under circumstances then prevailing) which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
4. **Objectives:** The primary objectives of investment activities, in order of priority, shall be:
  - 4.1. *Safety:* Safety of principal is the prime objective of the investment program. The investment program shall be designed and implemented to ensure preservation of capital in the overall portfolio. Invested funds shall be **diversified** to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of securities.
  - 4.2. *Liquidity:* The investment portfolio shall be structured in a manner which strives to time the maturity of securities with cash requirements. Additionally, since not all possible cash demands can be anticipated, the portfolio should consist of securities with an active secondary or resale market.
  - 4.3. *Return on investment:* The Authority shall attempt to obtain a reasonable return provided that the requirements of safety and liquidity are first met.
5. **Authorization and Delegation of Authority:** Under California Government Code Section 53601, the legislative body of a local agency (i.e., the Authority’s Board of Directors) is authorized to invest surplus moneys as specified in that code section. In accordance with California Government Code Section 53607, this authority is delegated to the Treasurer of the Authority for a one-year period. Subject to review, the Board of Directors may renew the delegation of authority under this code section each year. The Treasurer will be responsible for all investment transactions and shall establish a system of controls to regulate the activities of officials involved in any aspect of the investment program.
  - 5.1. *Investment Procedures:* The Treasurer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. The procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. The procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction, except as provided under the terms of this policy and the procedures established by the Treasurer.
  - 5.2. *Delegation in Treasurer’s Absence:* In the Treasurer’s absence, the Treasurer delegates investment authority in the following order to (1) the Assistant Chief,



Business Services and (2) the Deputy Chief, Administration and Support Bureau or Fire Chief's designee.

**6. Duties and Responsibilities:**

- 6.1. *Treasurer:* Charged with responsibility for all public funds and securities belonging to or under the control of the Authority, and for the deposit and investment of those funds in accordance with the principles of sound treasury management and in accordance with the applicable laws, ordinances and policies adopted by the Authority.
- 6.2. *Auditor:* Charged with recording investment activity in the accounting records and with verifying the Treasurer's records with broker confirmations, bank statements and safekeeping records.
- 6.3. *Assistant Chief, Business Services:* Charged with responsibility (in the absence of the Treasurer) for all public funds and securities belonging to or under the control of the Authority and for their deposit. Duties related to investment activities shall be performed by staff other than those responsible for the accounting of those investments.
- 6.4. *Deputy Chief or Fire Chief's designee:* Charged with responsibility (in the absence of the Treasurer and Assistant Chief, Business Services) for all public funds and securities belonging to or under the control of the Authority and for their deposit. Duties related to investment activities shall be performed by staff other than those responsible for the accounting of those investments.
- 6.5. *Fire Chief:* Charged with responsibility for implementation of and conformance to the policies and procedures approved by the Board of Directors for the investment of the Authority's funds.
- 6.6. *Budget and Finance Committee:* Charged with responsibility for investment oversight. The Committee shall review the monthly investment reports and significant investment activity being undertaken. The Committee's recommendations shall be reported in a monthly investment report to the Executive Committee.
- 6.7. *Executive Committee:* Charged with responsibility to receive, review and approve the monthly investment report, following review by the Budget and Finance Committee.
- 6.8. *Board of Directors:* May delegate to the Treasurer for a one-year period the authority to invest the Fire Authority's funds. Subject to review, the Board may renew the delegation of this authority each year. The Board shall also annually consider and approve a written Statement of Investment Policy at a public meeting. Any change to the Investment Policy at any time shall also be considered by the Board at a public meeting.

7. **Ethics and Conflicts of Interest:** All officers, employees, and participants in the Authority's investment process shall:
- 7.1. Act responsibly as custodians of the public trust.
  - 7.2. Avoid any transaction that might impair the public confidence in the Authority's ability to serve the citizens of our area of responsibility.
  - 7.3. Refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
  - 7.4. Abide by the Authority's adopted Conflict of Interest Code, which by reference is incorporated into this Investment Policy.
  - 7.5. The Treasurer, the Assistant Chief, Business Services, the Deputy Fire Chief or Fire Chief's designee and the Fire Chief shall be prohibited from doing personal investment transactions with any broker or securities dealer with whom OCFA does business, with the exception of the OCFA's primary bank for banking services. Employees shall subordinate their personal investment transactions to those of OCFA, particularly with regard to the time of purchases and sales.
8. **Authorized Financial Dealers and Institutions:** To promote the optimum yield on the investment of Authority funds, investment procedures shall be designed to encourage competitive bidding on transactions from approved financial institutions or broker/dealers.
- 8.1. On a triennial basis, the Treasurer shall recommend a list of at least three financial institutions and broker/dealers who are authorized to provide investment services. The list shall be approved by the Budget and Finance Committee and the Executive Committee. All financial institutions and broker/dealers who wish to be considered for the list must meet the following minimum requirements:
    - 8.1.1 Must certify that they have read and agree to comply with the investment policies of the Authority.
    - 8.1.2 Must be a primary or regional dealer that qualifies under the Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
    - 8.1.3 Must have a branch office in California.
    - 8.1.4 Must be experienced in institutional trading practices and familiar with the California Government Code as related to investments for local governmental agencies.
    - 8.1.5 Must have been in business for at least three years.

- 8.1.6 Must provide current audited financial statements.
  - 8.1.7 Must provide proof of Financial Industry Regulatory Authority (FINRA) certification.
  - 8.1.8 Other criteria as may be established in the *Investment Procedures Manual* of the Authority.
- 8.2. All financial institutions in which the Authority's public funds are deposited will supply the Treasurer with the following:
- 8.2.1 Current audited financial statements.
  - 8.2.2 Depository contracts.
  - 8.2.3 A copy of the latest FDIC call report.
  - 8.2.4 Proof that the institution is state or federally chartered.

9. **Authorized Investment Advisors and Investment Managers:**

**Authorized Investment Advisors**

Although the Authority does not currently use an investment advisor, these policies and procedures shall be applicable if an investment advisor is utilized in the future to provide advice and guidance for the investment of OCFA portfolio funds. Under Government Code, the Authority is authorized to engage specially trained and experienced firms for economic advice and services. The Board of Directors must approve, in advance, all contracts with an investment advisor, after review by the Authority's Counsel. The investment advisor may only provide advice and may not effectuate trades; he/she may not make investment decisions. The Treasurer shall provide the investment manager with a copy of the Authority's Investment Policy.

**Authorized Investment Managers**

The provisions above for authorized investment advisors also apply to authorized investment managers. In addition, an investment manager may effectuate trades upon specific authorization for each transaction; however, he/she may not make investment decisions. All investment decisions must be made and approved by the Treasurer in advance, before the investment manager is authorized to execute a transaction. The Treasurer shall provide the investment manager with a copy of the Authority's Investment Policy. Upon execution of any trade, the Authority must receive confirmation directly from the broker/dealer and the custodian, not from the investment manager. Investments recommended by the investment manager should be safe kept by the Authority's regular custodian, and not with the investment manager.

10. **Authorized and Suitable Investments:** The Authority is empowered by statute (California Government Code Section 53600 et seq., 53620 et seq., and Section 5922[d]) to invest in the following types of securities (see Section 15 of this Policy for maximum percentage limits imposed under Authority Policy):
- 10.1. U.S Treasury or Federal Agency securities.
  - 10.2. Collateralized or insured passbook savings accounts and demand deposits.
  - 10.3. Collateralized or insured certificates of deposit (or time deposits) placed with commercial banks (maximum term five years).
  - 10.4. Bankers acceptances (issued by one of the 10 largest domestic banks or 20 largest international banks based on assets) with maturities not to exceed 180 days. State statute restricts bankers' acceptances to no more than 40% of the agency's surplus funds and no more than 30% in any one commercial bank. Authority policy is more restrictive, with a maximum 25% limit (see Section 15.1.4). Bankers' acceptances are to be purchased only from institutions that are well capitalized as the term is defined in the glossary.
  - 10.5. Money market mutual funds whose portfolio consists solely of short-term treasury securities (i.e., one year or less remaining until maturity, at purchase). Mutual funds must be AAA rated by at least 2 of the 3 largest rating agencies.
  - 10.6. Repurchase agreements whose underlying collateral consists of U.S. Treasury obligations or U.S. government agency obligations and the collateralization level must be in accordance with Government Code section 53601(i)(2), effective January 1, 1996 (maximum maturity of 14 days). A Public Securities Association (PSA) Master Repurchase Agreement is required between the Authority and the bank or broker/dealer for all repurchase agreements transacted. Direct investment in reverse repurchase agreements is prohibited.
  - 10.7. Local Agency Investment Fund (State of California Pool).
  - 10.8. Commercial paper in compliance with the following requirements:
    - 10.8.1 Must be rated highest-quality by at least two of the following three nationally recognized rating agencies. Highest-quality ratings are defined as (1) Moody's Investor Services rating of P1; (2) Standard & Poor's rating of A1/A1+; (3) Fitch rating of F1/F1+.
    - 10.8.2 Investments will not be made with commercial paper issuers placed on negative credit watch by any one of the above rating agencies.
    - 10.8.3 Commercial paper issuers must be domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its long term

debentures as provided by Moody's, Standard & Poor's, or Fitch.

- 10.8.4 Purchases of eligible commercial paper may not: (a) exceed 270 days to maturity; or (b) exceed 15% of the cost value of the portfolio. Although Government Code allows a maximum investment in commercial paper of 25%, Authority Policy maintains a 15% maximum, which is more restrictive.
- 10.8.5 The Treasurer shall conduct research on commercial paper issuers prior to investing OCFA funds with those issuers. The Treasurer will avoid investing in issuers with current events that involve negative financial implications that could lead to a downgrade to their credit rating. Sources of research will include, at a minimum, WSJ.com, Bloomberg.com, Marketwatch.com, and CNNMoney.com.
- 10.9. Negotiable certificates of deposit, issued by national or state-chartered banks or state or federal savings institutions, commercial bank, savings bank (savings and loan association), or credit union that uses a private sector entity that assists in the placement of certificates of deposit under specified conditions. Government Code limits negotiable certificates of deposit to 30% of the portfolio. Authority Policy, which is more restrictive, limits investment in these securities to 25% (see Section 15.1.5).
- 10.10. Proceeds of bonds or other indebtedness and any moneys set aside and pledged to secure payment of the bonds may be invested in accordance with the resolution, indenture, or other statutory provisions governing the issuance of those bonds or indebtedness.
- 10.11. Retiree Medical Funds may be held in a separate trust fund and invested as permitted under California Government Code Section 53620 to 53622 and/or Section 31694.3 for the purpose of paying health insurance benefits to retirees.
- 10.12. Additional trust funds may be set up to help reduce OCFA's unfunded pension liability. These funds may be held separately from the OCFA portfolio and invested according to guidelines provided by OCFA.
11. **Unallowable Investments / Restrictions**: The Authority shall **not** invest OCFA portfolio funds in the following instruments:
- 11.1. Derivatives, except for indirect investment through the State's Local Agency Fund.
- 11.2. Reverse repurchase agreements, although indirect investment through a pool is allowable up to a maximum of ten percent (10%) of the pool's portfolio.
- 11.3. Financial futures or financial options.

- 11.4. Common stocks or corporate bonds.
12. **Investment Pools:** Governmental sponsored pools and/or mutual funds should be carefully reviewed prior to investing and should be monitored on an ongoing basis. Requisite information on the pool includes the following:
  - 12.1. A statement of investment policy and objectives.
  - 12.2. A list of allowable investments.
  - 12.3. Disclosure regarding settlement and safeguarding of investments.
  - 12.4. Description of securities pricing (fair value) and whether GASB 31 compliant.
  - 12.5. An explanation of interest calculations and distributions, plus fee disclosures.
  - 12.6. Deposit and withdrawal restrictions.
  - 12.7. Disclosure of audit findings and reports.
13. **Collateralization:** Collateral must always be held by an independent third party with whom the Authority has a current custodial agreement.
  - 13.1. State law regarding collateralization of deposits of public funds requires that securities be held by an agent (i.e., a trust company) of the bank, which may include the bank's trust department only if acceptable to both the bank and the Treasurer, pursuant to California Government Code Sections 53656 and 53658. Under the provisions of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by: a) pledging government securities with a value of 110% of the principal and accrued interest; b) pledging first trust deed mortgage notes having a value of 150% of the total agency deposit; or c) a letter of credit drawn on the Federal Home Loan Bank at 105% of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to Section 53651. A copy of the Call Report of Local Agency's Deposits and Securities must be supplied to the Authority and retained to document compliance with the collateral requirements.
  - 13.2. Collateralization of repurchase agreements must be at least 102% of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on repurchase agreements must be addressed in a master repurchase agreement between the Authority and the bank or broker/dealer.
  - 13.3. The Treasurer, at his/her discretion, may waive the collateral requirements for deposits up to \$250,000 which are fully insured by the Federal Deposit Insurance Corporation. The right of collateral substitution is granted.

14. **Safekeeping and Custody:** All security transactions shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party qualified custodian and evidenced by safekeeping receipts. The trust department of the Authority's bank may act as third party custodian, provided that the custodian agreement is separate and apart from the banking agreement.
15. **Diversification:** The Authority shall maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity, issuer, or security type.

15.1. *Restrictions on Securities:* At no time shall the Authority's portfolio be invested in a single security type or in a single financial institution or pool in excess of 15% of the total investment portfolio, with the following exceptions:

- |        |                              |  |
|--------|------------------------------|--|
| 15.1.1 | Treasury securities          | 100%   |
| 15.1.2 | Local Agency Investment Fund | 75% <i>(Excludes moneys deposited in LAIF bond funds.)</i> |
| 15.1.3 | Federal Agency securities    | 75%  |
| 15.1.4 | Bankers' Acceptances         | 25%  |
| 15.1.5 | Negotiable CD's              | 25%  |

15.2. *Exception for Automatic Overnight Sweep:* There shall be no restriction on the amount that is automatically swept from the Authority's bank or custody bank into a fund consisting solely of Treasury securities *on an overnight basis*, in order to accommodate immediate investment of large inflows of property taxes or other receipts, pending diversified investment into other securities by the Treasurer.

15.3. *Maturity Diversification:* Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing the market risk. Maximum maturities shall be as follows:

- 15.3.1 At least 50% of the portfolio is limited to a period of one year or less. If the portfolio falls below the 50% threshold, a correction will be made within 30 days.
- 15.3.2 Unless matched to a specific requirement and approved by the Executive Committee and the Board of Directors, no portion of the portfolio may exceed five years.

16. **Internal Control:**

16.1. Internal policies and procedures shall be developed to assure that appropriate controls are in place to document and confirm all transactions. A separate *Investment Procedures Manual* shall be established to assist Treasury staff with daily

operations and shall be reviewed at least annually by the Treasurer.

- 16.2. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity and compliance with policies and procedures.
- 16.3. To provide further protection of the Authority funds, written instructions require the Authority's bank to obtain verification of all wire transfers from two of the three following officers:
  - 16.3.1 Treasurer.
  - 16.3.2 Assistant Chief, Business Services.
  - 16.3.3 Deputy Fire Chief, or Fire Chief's designee.
17. **Performance Standards:** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and cash flow needs.
  - 17.1. *Investment Strategy:* The Authority's basic investment strategy is to buy and hold investments until maturity. However, the Treasurer may sell a security due to adverse changes in credit or market risk or due to unexpected cash flow needs.
  - 17.2. *Market Yield (Benchmark):* The basis used by the Treasurer to determine whether market yields are being achieved shall be the rates of return from the following combination of indices: Local Agency Investment Fund (LAIF) and 3-month, 6-month and 1-year Treasury Bills (constant maturity).
  - 17.3. *Review:* The investment policy shall be reviewed at least annually by the Budget and Finance Committee and approved by the Board of Directors to ensure its consistency with the overall objectives of safety (including diversification), liquidity and return, as well as its relevance to current law and financial/economics trends. The Authority's philosophy prohibits speculation (i.e., purchasing securities with the intent to profit from anticipated changes in future market conditions). Leveraging or borrowing money for the purpose of investing is specifically prohibited.
18. **Reporting:**
  - 18.1. *Monthly Reports:* In compliance with Government Code Sections 53607 and 53646, the Treasurer shall file a monthly investment report with the Clerk of the Board, who will submit copies to the Board of Directors, the Executive Committee, the Budget and Finance Committee, the Fire Chief, the Deputy Chief, Administration and Support Bureau, the Assistant Chief, Business Services, the Auditor, and the Authority's outside auditor (as required). The investment report will be agendaized for the monthly meetings of the Budget and Finance Committee and the Executive Committee, and any Board member may request inclusion of the report on the



Board's agenda at any time. This report shall certify that the Treasurer has complied with the Authority's *Investment Procedures Manual* and will include an *Executive Summary*, which provides a condensed summary of the most important information in the report, plus a detailed report covering the following elements:

- 18.1.1 Type of investments and percent that each type represents in the portfolio.
- 18.1.2 Issuer.
- 18.1.3 Purchase date.
- 18.1.4 Date of maturity.
- 18.1.5 Amount of deposit.
- 18.1.6 Face value of the securities.
- 18.1.7 Current market value of securities.
- 18.1.8 Portfolio yield and comparison to benchmark.
- 18.1.9 Interest earnings.
- 18.1.10 Percentage of portfolio maturing within one year, 1-3 years, 3-5 years and over 5 years.
- 18.1.11 Statement relating the report to the Investment Policy.
- 18.1.12 Statement on availability of funds to meet its obligations for the next 30 days and the next 6 months.
- 18.1.13 Description of funds, investments, or programs managed by contracted parties.
- 18.1.14 Statement of compliance of the portfolio with the investment policy or manner in which the portfolio is out of compliance.
- 18.1.15 GASB 31 effects on financial statements.
- 18.1.16 Comments on the fixed income markets and economic conditions.
- 18.1.17 Potential changes in future portfolio structure (if any), including risk factors.
- 18.1.18 Any other information required by the Board.

18.2. *Annual Reports*: The Treasurer shall submit an annual report to the Budget and

Finance Committee and the Executive Committee, following the close of the fiscal year which shall certify that the Treasurer has complied with the Authority's investment procedures and detail the following:

- 18.2.1 Analysis of the composition of the investment fund.
- 18.2.2 Discussion of investment risk in the portfolio.
- 18.2.3 GASB 31 impacts.
- 18.2.4 A review of trends regarding the size of the investment fund.
- 18.2.5 Portfolio performance and comparison to benchmark.
- 18.2.6 Investment income.
- 18.2.7 A statement of anticipated investment fund activity in the next fiscal year.

**18.3 Investment Policy Adoption:** The Treasurer shall annually render to the Fire Chief, the Budget and Finance Committee, and the Board of Directors a Statement of Investment Policy.

## GLOSSARY

**Active Deposits.** Funds which are immediately required for disbursement.

**Active investment management.** An investment strategy that involves the active trading of securities in an attempt to earn above-average returns on a portfolio. Active investment management requires frequent monitoring of financial markets.

**Agency.** A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of an FSA is the Federal National Mortgage Association (FNMA).

**Arbitrage.** Generally, transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a difference in prices in the two markets.

**Bankers' Acceptances (BA's).** Time drafts or bills of exchange that are accepted payment by banks engaged in the financing of international trade. BA's finance the importation, exportation, shipment or storage of foreign and domestic goods. BA's are usually backed by documentation such as invoices, bills of lading, or warehouse receipts. Upon acceptance by a bank, a BA becomes an irrevocable and unconditional obligation of the accepting bank, while it is also an obligation of the drawer as well as any endorser thereof.

**Basis point.** By common agreement, .01% of yield on a fixed income security (1/100 of 1%).

**Bond Equivalent Yield (BEY).** An annual yield, expressed as a percentage, describing the return provided to bond holders. A bond equivalent yield is double the simple interest, semiannual yield. Since Treasury and agency notes and bonds pay interest semiannually, the bond equivalent yield is a way to compare yields from discount securities, such as Treasury bills and bankers' acceptances with yields available from coupon securities. From that usage, this yield measure is also known as the coupon yield equivalent. For securities that pay daily, monthly or quarterly interest, the bond equivalent yield understates the benefits obtained from the compounding of those investments.

**Book-entry clearance.** A system for the transfer of ownership of securities through entries on the records of a centralized agency. The centralized agency holds securities on behalf of their owners; when the securities are sold, ownership is transferred by bookkeeping entry from the seller to the purchaser. In the case of U.S government securities, securities certificates are not issued, and ownership of the securities is evidenced in computer records maintained by the Federal Reserve System. For other types of securities, book entry clearance is made available through linked or interfaced systems maintained by four securities depositories, which hold securities and act on behalf of their participants.

**Book-entry security.** A security which is not available to purchasers in physical form. Such a security may be held either as a computer entry on the records of a central holder (as is the case with U.S. certain government securities) or in the form of a single, global certificate.

**Book value.** The value at which a security is carried on the inventory lists or other financial records of an investor. 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.

**Broker.** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position or take ownership of the security.

**Certificate of Deposit (CD).** A deposit of funds, in a bank or savings and loan association, for a specified term that earns interest at a specified rate or rate formula.

**Collateralization.** Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

**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. Firms with lower ratings or without well known names usually back their commercial paper with guarantees or bank letters of credit.

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

**Credit Risk.** The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**Current Yield (Current Return).** A measure of the simple interest annual yield for interest-bearing investments with maturities of one year or more. To calculate the current yield, the annual coupon interest income is divided by the amount paid to acquire the investment. It is important to note that the current yield is only accurate for investments purchased at par. The current yield calculation includes just one income cash flow - the annual interest income. It ignores the profit or loss resulting from discounts and premiums.

**Custody.** The service of an organization, usually a financial institution, of holding (and reporting) a customer's securities for safekeeping. The financial institution is known as the **custodian**.

**Dealer.** An individual or firm who, as a matter of regular business, purchases or sells securities for his account and risk.

**Delivery versus payment (DVP).** A settlement procedure where payment for a securities purchase is made simultaneously with the transfer of the purchased securities. The same procedure applies for a securities sale; the securities are transferred as payment is made.

**Derivative instrument.** A security that derives its value from an underlying asset, group of assets, reference rate, or an index value. Some derivative instruments can be highly volatile and result in a loss of principal in changing interest rate environments.

**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.

**Diversification.** Dividing investment funds among a variety of securities, offering independent returns, to reduce risk inherent in particular securities.

**Effective Annual Yield.** A seldom used expression to refer to the yield on an investment expressed on a compound interest basis.

**Fed Wire.** Computerized network linking the Fed with its district banks, member banks, and primary dealers in government securities.

**Federal Agency Securities.** A variety of securities issued by several Federally sponsored agencies. Some are issued on a discount basis and some are issued with coupons. Several have the full faith and credit guarantee of the U.S. government, although others do not.

**Federal Deposit Insurance Corporation (FDIC).** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal funds (Fed 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** - Interest rate charged by one institution lending federal funds to another.

**Floater.** A floating rate security with an interest rate that resets at specified intervals according to an underlying index, such as LIBOR (the London Interbank Offered Rate), and is based on a predetermined formula. The value of a floater will fluctuate as interest rates change and therefore can be very volatile.

**Inactive deposits.** Funds not immediately needed for disbursement.

**Interest rate risk.** The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

**Inverse floater.** A security that reacts inversely to the direction of interest rates. These securities

can be very volatile and can lose value in a rising interest-rate environment.

**Leverage.** An attempt to increase the rate of return on an investment by buying securities on margin or using borrowed funds for investment purposes. This practice can be risky if interest rates rise or if investment yields are lower than expected.

**Liquidity.** The quality of an asset that permits it to be converted quickly into cash without a significant loss of value.

**Local Agency Investment Fund (LAIF).** A special fund in the State Treasury which local agencies may use to deposit funds for investment and for reinvestment. There is no minimum investment period and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$75 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. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via a check, warrant, or direct deposit to the agency's State Pooled Fund account. The State keeps an amount for reasonable costs of making the investments, not to exceed 1/4 of a percent of the earnings.

**Marketability.** The measure of ease with which a security can be sold in the secondary market.

**Mark-to-Market.** The practice of valuing a security of portfolio according to its market value, rather than its cost or book value.

**Market Rate of Return.** The average yield of the 3-month U.S. Treasury Bill or other index that closely matches the average maturity of the portfolio.

**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, a 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, repos and federal funds).

**Mutual Fund.** An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines.

**Negotiable.** Salable.

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

**Passive investment management.** An investment strategy where securities are bought with the intention of holding them to maturity or investments in benchmark products designed to yield a market rate of return.

**Principal.** The face amount or par value of a debt instrument.

**Primary Dealer.** A small group of large banks and brokers that have pledged to make a market for any Treasury securities at any time. They are required to report their inventory positions and volume of activities to the Federal Reserve. Because of this, they are given the right to deal directly with the Federal Reserve in their daily operations.

**Prudent Investor Standard.** A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

**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.

**Public Securities Association.** The bond market trade association, which publishes a Master Repurchase Agreement that is widely accepted as the industry standard.

**Rating.** Judgment of creditworthiness of an issuer made by an accepted rating service.

**Repurchase Agreement (Repo).** A form of secured, short-term borrowing in which a security is sold with a simultaneous agreement to buy it back from the purchaser at a future date. A *master repurchase agreement* is a written contract governing all future transactions between the parties and seeks to establish each party's rights in the transaction.

**Reverse Repurchase Agreement.** A form of secured, short-term investment in which a security is purchased with a simultaneous agreement to sell it back to the seller at a future date.

**Safekeeping.** A procedure where securities are held by a third party acting as custodian for a fee.

**Secondary Market.** Markets for the purchase and sale of any previously issued financial instrument. The first sale of a financial instrument by the original issuer is said to be done a primary market. All subsequent trades are said to be secondary market.

**Securities Investors Protection Corporation (SIPC).** A private corporation providing insurance to brokerage firms to cover customer accounts up to \$500,000 in securities which includes a \$250,000 for cash.

**Swap.** The trading of one asset, or cash flows, for another. Sometimes used in active portfolio

management to increase investment returns by “swapping” one type of security for another. Also used to manage risk; for example, swapping fixed interest rate payments for floating rate payments.

**Total return.** Interest income paid on the invested principal, plus interest income earned from the successive reinvestment of that interest income, plus projected capital gains (or minus losses) on the investment. Differs from yield to maturity because (1) it can include gains or losses from sales prior to maturity, and (2) it permits the assumption of a reinvestment rate different from the yield earned on the underlying principal.

**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 ten years or longer.

**Uniform Net Capital Rule.** Securities and Exchange Commission 15C3-1 outlining capital requirements for brokers.

**Weighted Average Maturity (WAM).** The average maturity of all the securities that comprise a portfolio.

**Yield.** Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale and the time from purchase to maturity, call or sale. Different formulas or methods are used to calculate yield. See Yield to Maturity and Total Return Analysis.

**Yield-to-maturity.** The rate of return yielded by a debt security held to maturity when both the interest payments and the investor’s potential capital gain or loss are included in the calculation of the return.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

Budget and Finance Committee Meeting  
November 8, 2023

Agenda Item No. 3A  
Discussion Calendar

**Audited Financial Reports for the Fiscal Year Ended June 30, 2023**

**Contact(s) for Further Information**

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**Summary**

This annual agenda item is submitted to present the OCFA's audited Annual Comprehensive Financial Report and other audited financial reports for the fiscal year ended June 30, 2023, in compliance with the provisions of Section 6505 of the California Government Code and the Amended Joint Powers Agreement.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation, and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

See attached expanded background.

**Attachment(s)**

1. Annual Comprehensive Financial Report for the Year Ended June 30, 2023
2. Report on Internal Control for the Year Ended June 30, 2023
3. Single Audit Report for the Year Ended June 30, 2023
4. Audit Communication Letter for the Year Ended June 30, 2023
5. Assigned Fund Balance Calculations as of June 30, 2023 for:
  - A. Capital Improvement Program
  - B. Workers Compensation
6. Calculation of Unencumbered Fund Balance as of June 30, 2023

## **Background**

### ***Financial Audit and Reports***

Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), performed OCFA’s annual financial audit for Fiscal Year 2022/23. Their work included an audit of OCFA’s financial statements in accordance with generally accepted auditing standards (GAAS); a review of internal controls to determine the depth of planned audit procedures; and a Single Audit of federal grant expenditures. The following Fiscal Year 2022/23 audit reports are being submitted for approval:

- **Annual Comprehensive Financial Report** (Attachment 1) – OCFA’s Finance Division staff has prepared the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report includes OCFA’s audited financial statements, as well as additional background and multi-year statistical information. The auditors issued an unmodified or “clean” opinion, which states that OCFA’s financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles (GAAP). The auditors’ opinion is presented on Pages 1 - 3 of the ACFR.
- **Report on Internal Control** (Attachment 2) – The auditors have reported no significant deficiencies or material weaknesses in their report on internal control over financial reporting, compliance, and other matters.
- **Single Audit Report** (Attachment 3) – This report includes a review of federal grant funds expended by OCFA during the fiscal year. The major program selected for more in-depth testing was National Urban Search and Rescue (US&R) Response System. Below is a summary of the auditors’ results as described in the report:

	<b>Financial Statements (Financial Reporting)</b>	<b>Federal Awards (Major Federal Programs)</b>
Type of opinion	Unmodified	Unmodified
Internal control:		
Material weakness identified?	No	No
Significant deficiency identified?	No	No
Noncompliance material to the financial statements noted?	No	n/a
Findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?	n/a	No

- **Audit Communication Letter** (Attachment 4) – Professional standards require the auditors to communicate certain information pertaining to the audit directly to those charged with the governance. This letter provides communication in several areas, including qualitative aspects of OCFA’s accounting practices, any difficulties encountered while performing the audit, corrected and uncorrected financial statement misstatements, any disagreements with management, management’s representations to the auditors, any consultation by management with other auditors, other audit findings or issues, and various other matters.

In the “Other Audit Findings or Issues” section of this letter, LSL noted its reliance on audit information provided by other audit firms to audit certain components of OCFA’s financial statements. Those components include (1) assets held in trust by the Orange County Employees Retirement System (OCERS) for OCFA’s Retiree Medical Plan, which was audited by Moss Adams, LLP; and (2) the Orange County Fire Authority Foundation (Foundation) discretely presented component unit, which was audited by Tahim & Associates. For the Foundation, variances were observed between a separate audit report issued by Tahim & Associates, as compared to the amounts reported in OCFA’s financial statements that were prepared by OCFA management. As a result, LSL performed additional audit procedures and concluded that the variances between the two reports were immaterial. Absent the Foundation reconciling its financial statements to ensure consistency with that of OCFA’s financial statements, we anticipate that variances will continue to be reported in the future.

The ACFR will be published electronically on OCFA’s website. The ACFR and other audit reports will be filed with the County Auditor-Controller, the State Controller’s Office, the State Auditor, the Federal Audit Clearinghouse, and other grant agencies, as applicable. Copies for public review are available at the office of the Clerk of the Authority.

### ***Assigned Fund Balance***

The Board of Directors has adopted an *Assigned Fund Balance Policy*, which delegates authority to assign fund balance amounts for the capital improvement program and workers’ compensation from the Board of Directors to the Deputy Chief of the Administrative & Support Bureau, or his/her designee, with a final review of the calculation by the Budget and Finance Committee. The Budget and Finance Committee’s review of the calculation occurs each year at the time the audited financial statements are approved and confirms the calculation’s consistency with the provisions of the policy. OCFA’s fund balance as of June 30, 2023, includes assignments for the capital improvement program (\$22,262,329) and workers’ compensation (\$143,334,044), with detailed calculations included as Attachments 5A and 5B.

### ***Current Year Changes in Financial Statement Reporting***

During Fiscal Year 2022/23, OCFA implemented Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under the statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription long-term liability.

As part of the implementation process, OCFA staff identified and analyzed a variety of information technology contracts and agreements to assess the applicability of GASB Statement No. 96. The Finance Division also established a SBITA materiality threshold for financial reporting purposes. Only SBITA contracts with a fixed and fixed in-substance future payment stream over the subscription term estimated at \$50,000 or more are reported in OCFA’s audited financial statements. As of June 30, 2023, all SBITA contracts meeting the criteria of GASB Statement No. 96 were below this materiality threshold; however, new or amended contracts will now be analyzed annually for ongoing compliance with this new statement.

### ***Net Pension Liability (Asset) vs. Unfunded Actuarial Accrued Liability***

OCFA follows GASB Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Under these accounting standards, the **funding** or paying of OCFA's pension liability is disconnected from the **reporting** of the liability and related pension expense in the audited financial statements.

Each year OCFA receives two separate actuarial valuations from the Orange County Employees Retirement System (OCERS) that are used to identify OCFA's annual costs and future obligations pertaining to the retirement plan for its full-time employees. Both actuarial valuations are prepared by Segal Consulting (Segal) on behalf of OCERS using a "measurement date" of December 31.

- **Funding Valuation:** The "funding valuation" is used to determine OCFA's Unfunded Actuarial Accrued Liability (UAAL) and to set required contribution rates for the upcoming fiscal year. The method in which governmental employers fund their UAAL is systematic and assumed to occur over a long period of time. Contributions paid annually over the UAAL's amortization period are intended to accumulate to an amount necessary to fund the UAAL over time. OCFA's UAAL as reported in the December 31, 2022, funding valuation totaled \$158 million.
- **GASB Reporting Valuation:** The "GASB reporting valuation" is used to determine OCFA's Net Pension Liability (NPL) or Net Pension Asset (NPA); annual pension expense (or credit); and related calculations for financial reporting purposes in compliance with GASB Statement No. 68. The actuarial assumptions in this report differ from the "funding valuation" since they must comply with national GASB standards that are consistently applied by all governments. Amounts in this valuation may materially change from one year to the next, creating more volatility in the pension expense recognized in the financial statements (as compared to the required contributions identified in the "funding valuation"). OCFA's Net Pension Liability for its OCERS pension plan reported in the June 30, 2023, audited financial statements totaled \$279 million. More detailed information regarding this long-term net liability can be found on the Statement of Net Position and in the Notes to the Financial Statements No. 24 (Attachment 1).

Currently, the net difference between OCFA's UAAL (funding) and NPA (reporting) is \$121 million, which is the result of different liability and asset values used in measuring these amounts in the separate actuarial valuations. The primary differences are attributed to the NPA being calculated using the plan's current market value of assets, and the UAAL being calculated by adjusting the market value of assets for asset smoothing per the OCERS Actuarial Funding Policy. Differences are also created by timing differences of when actuarial gains and losses are recognized in the liability calculation for financial reporting purposes compared to funding valuation purposes. Segal has provided OCERS with a reconciliation to assist in understanding the underlying differences between the UAAL and the NPL for the retirement plan as a whole. Following is a recap of the Segal reconciliation including only the rate groups applicable to OCFA:

	<b>Rate Group #8 (Safety)</b>	<b>Rate Group #10 General)</b>	<b>OCFA Total</b>
<b>Liability Reconciliation</b>			
Actuarial accrued liability [L1]	\$2,213,633,000	\$317,358,000	\$2,530,991,000
Gains (losses) from lower (higher) than expected:			
Salary increases	25,747,000	2,903,000	28,650,000
Cost of living increases	(26,138,000)	(3,424,000)	(29,562,000)
Other experience gain or (loss)	(11,191,000)	(1,013,000)	(12,204,000)
Gain (loss) from rolled forward to actual liabilities	997,540	77,347	1,074,887
<b>Total pension liability [L2]</b>	<b>\$2,203,048,540</b>	<b>\$315,901,347</b>	<b>\$2,518,949,887</b>
<b>Asset Reconciliation</b>			
Valuation of assets [A1]	\$2,077,725,000	\$294,832,000	\$2,372,557,000
Adjustment for deferred investment return and non-valuation reserve	(116,181,404)	(16,486,299)	(132,667,703)
<b>Market value of assets [A2]</b>	<b>\$1,961,543,596</b>	<b>\$278,345,701</b>	<b>\$2,239,889,297</b>
<b>Net Reconciliation</b>			
Unfunded Actuarial Accrued Liability (UAAL) [L1-A1]; "Funding Valuation"	\$135,908,000	\$22,526,000	\$158,434,000
<b>Net Pension Liability (NPL) or (Asset) (NPA) [L2-A2]; "GASB Reporting Valuation"</b>	<b>\$241,504,944</b>	<b>\$37,555,646</b>	<b>\$279,060,590</b>
<b>Net Difference [UAAL – NPL or (NPA)]</b>	<b>\$(105,596,944)</b>	<b>\$(15,029,646)</b>	<b>\$(120,626,590)</b>
<b>Difference in Liabilities</b>	<b>\$10,584,460</b>	<b>\$1,456,653</b>	<b>\$12,041,113</b>
<b>Difference in Assets</b>	<b>\$116,181,404</b>	<b>\$16,486,299</b>	<b>\$132,667,703</b>
<b>Net Difference [UAAL – NPL or (NPA)]</b>	<b>\$(105,596,944)</b>	<b>\$(15,029,646)</b>	<b>\$(120,626,703)</b>

### ***Structural Fire Fund***

The Amended Joint Powers Agreement gives the Board of Directors the sole discretion to determine if sufficient unencumbered funds from the prior fiscal year are available for OCFA-related services or resource enhancements to over-funded Structural Fire Fund (SFF) members. This determination is made after consideration of the audited financial statements and after consideration of the OCFA's financial needs. Based on the audited financial statements for the fiscal year ended June 30, 2023, the unencumbered fund balance is \$173,363 (Attachment 6), which is 0.03% of the General Operating Fund budget for Fiscal Year 2023/24. Additional information on staff's recommendation for the \$173,363 fund balance allocation will be included with the 2023 Long Term Liability Study item tentatively scheduled for January 2024.

# ACFR 2023

FISCAL YEAR ENDED JUNE 30



ANNUAL COMPREHENSIVE FINANCIAL REPORT  
ORANGE COUNTY FIRE AUTHORITY  
ORANGE COUNTY, CALIFORNIA  
BUSINESS SERVICES DEPARTMENT / FINANCE DIVISION





# Orange County Fire Authority Annual Comprehensive Financial Report Year ended June 30, 2023

## Board of Directors As of June 2023

**Vince Rossini, Chair**  
City of Villa Park  
*(Board Member Since 2017)*

**John R. O'Neill, Vice Chair**  
City of Garden Grove  
*(Board Member Since 2019)*

**Ross Chun**  
City of Aliso Viejo  
*(Board Member Since 2020)*

**Joshua Sweeney**  
City of Laguna Hills  
*(Board Member Since 2023)*

**Carol Gamble**  
City of Rancho Santa Margarita  
*(Board Member Since 2011)*

**Austin Lumbard**  
City of Tustin  
*(Board Member Since 2022)*

**Connor Traut**  
City of Buena Park  
*(Board Member Since 2023)*

**Kelly Jennings**  
City of Laguna Niguel  
*(Board Member Since 2023)*

**Chris Duncan**  
City of San Clemente  
*(Board Member Since 2023)*

**Chi Charlie Nguyen**  
City of Westminster  
*(Board Member Since 2023)*

**Anne Hertz-Mallari**  
City of Cypress  
*(Board Member Since 2022)*

**Noel Hatch**  
City of Laguna Woods  
*(Board Member Since 2013)*

**Troy Bourne**  
City of San Juan Capistrano  
*(Board Member Since 2021)*

**Gene Hernandez**  
City of Yorba Linda  
*(Board Member Since 2013)*

**John Gabbard**  
City of Dana Point  
*(Board Member Since 2023)*

**Mark Tetterer**  
City of Lake Forest  
*(Board Member Since 2020)*

**Phil Bacerra**  
City of Santa Ana  
*(Board Member Since 2023)*

**Katrina Foley**  
County of Orange  
*(Board Member Since 2023)*

**Tammy Kim**  
City of Irvine  
*(Board Member Since 2023)*

**Shelley Hasselbrink**  
City of Los Alamitos  
*(Board Member Since 2015)*

**Joe Kalmick**  
City of Seal Beach  
*(Board Member Since 2021)*

**Donald Wagner**  
County of Orange  
*(Board Member Since 2019)*

**Nitesh Patel**  
City of La Palma  
*(Board Member Since 2023)*

**Bob Ruesch**  
City of Mission Viejo  
*(Board Member Since 2023)*

**David Shawver**  
City of Stanton  
*(Board Member Since 1995)*

**Brian Fennessy**  
Fire Chief

Prepared by OCFA Finance Division

Photos provided by OCFA Multimedia



# Orange County Fire Authority



## Mission Statement

We proudly serve the changing needs of our communities by providing exceptional emergency and support services. We pledge a commitment to preserving the quality of life.

## Vision Statement

We are dedicated to protecting lives and property with first class public safety and emergency services through courage, compassion, and competency.

## Values Statement and Service Principles

We rely on our PEOPLE and our Service Principles as we carry out our mission with:

- Professionalism
- Enthusiasm
- Organizational Integrity
- Pride
- Leadership
- Effectiveness

Service Principles guide our relationships with each other and with our customers:

- |                            |                           |                        |
|----------------------------|---------------------------|------------------------|
| • Safety                   | • Excellence              | • Honesty and Fairness |
| • Financial Responsibility | • Ethics                  | • Reliability          |
| • Teamwork                 | • Personal Accountability | • Diversity            |
| • Trust                    | • Care and Respect        | • Integrity            |

## Motto

In service of others!

**ORANGE COUNTY FIRE AUTHORITY**  
**Annual Comprehensive Financial Report**  
**Year ended June 30, 2023**

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# Introductory Section







**ORANGE COUNTY FIRE AUTHORITY**  
**P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd., Irvine, CA 92602**  
**(714) 573-6000** **www.ocfa.org**

October 9, 2023

To the Board of Directors and Citizens of Orange County:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Orange County Fire Authority (OCFA) for the fiscal year ended June 30, 2023. This report consists of management's representations concerning the finances of the OCFA and is presented using the financial reporting model outlined in statements issued by the Governmental Accounting Standards Board (GASB). Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. As management, we assert that this financial report is complete and reliable in all material respects, to the best of our knowledge and belief.

OCFA management has established a comprehensive internal control framework to provide a reasonable basis for making its representations. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP). Because the cost of a control should not exceed the benefits to be derived, the objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs.

OCFA's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the OCFA's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) narrative provides "financial highlights" and interprets the financial reports by analyzing trends and explaining changes, fluctuations, and variances in the financial data. The MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the OCFA. The MD&A complements, and should be read in conjunction with, this letter of transmittal.

**Background Information on the OCFA**

OCFA was formed on March 1, 1995, transitioning from the Orange County Fire Department to a joint powers authority (JPA) as allowed by California State Government Code 6500 et seq. OCFA is an independent entity similar to a special district. The service area includes twenty-three member cities and the unincorporated areas of Orange County. A twenty-five-member Board of Directors governs the OCFA, including an elected official appointed to represent each member city and two representatives from the County Board of Supervisors. OCFA is managed by an appointed Fire Chief who reports to the Board of Directors.

The OCFA Foundation (Foundation) was established in July 2010 as a nonprofit corporation to support OCFA with additional resources. The Foundation is governed by a separate, five-member Board of Directors with prior experience in government, community, or fire service organizations. OCFA's Fire Chief serves as the Chief Executive Officer of the Foundation. The Foundation is presented in this report as a discretely presented component unit due to the nature and significance of its relationship with OCFA.

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

**RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES**

The annual budget is the foundation for OCFA's financial planning and control. The budget development process begins in November. The budget team compiles the input from the section/division managers who follow the policies and guidelines established by Executive Management. The results are presented to Executive Management for review and prioritization. The draft budget is further refined through various committee reviews, including a City Managers' Budget and Finance Committee, a Capital Improvement Program Ad Hoc Committee, and the OCFA Budget and Finance Committee. The OCFA Budget and Finance Committee recommends the budget for approval by the Board of Directors in May or June. The Board has the option of holding a public hearing on the proposed budget and is required to adopt a final budget no later than June 30, the close of OCFA's fiscal year.

The appropriated budget is allocated by fund and department. Department Chiefs may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Executive Management, and transfers between funds require the approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Budgetary Comparison Statement for the General Fund is presented in the governmental funds section of the accompanying financial statements. Budgetary Comparison Schedules for all remaining governmental funds with appropriated annual budgets are presented in the supplementary schedules section of the accompanying financial statements.

### **Information on Orange County and the Local Economy**



The information presented in the financial statements is best understood when considered from the broader perspective of the local economic environment within which OCFA operates.

#### **Orange County Profile:**

Orange County is located along the southern coast of California, with Los Angeles County to the north; San Diego County to the south; and Riverside and San Bernardino counties to the east. Orange County covers an area of 799 square miles, with 42 miles of coastline along the Pacific Ocean, and is home to over 3.1 million people.<sup>1</sup> There are thirty-four cities in Orange County. OCFA provides regional fire services to twenty-three of those cities and the unincorporated areas throughout the county.

#### **Economic Overview:**

As the economy emerged from the COVID-19 pandemic, inflation surged to levels not seen since 1981. Inflation was reported at a high of 9.1% in June 2022, with the cost of food and energy soaring at record rates.<sup>2</sup> The three main contributing factors for high inflation appeared to be rising labor costs, energy prices, and interest rates. This generated excess demand and higher prices, which the Fed has attempted to slow down by raising interest rates, thus stabilizing prices and economic growth.<sup>3</sup> From March 2022 to July 2023, the Fed increased interest rates by a combined 5.25%.<sup>4</sup> As of July 2023, inflation had declined to 3.2%.<sup>5</sup>

Historically, the average time lag between when the Fed begins increasing the federal funds rates and the onset of a recession is ten quarters.<sup>6</sup> Other early signals of a pending recession include declining job growth, declining housing starts, declining money supply, and a negative interest rate spread between the 10-year T-bond rate and the federal funds rate. The interest rate spread turned negative in December 2022. The average time lag between the onset of a negative interest rate spread and the beginning of a

<sup>1</sup> California Department of Finance, <http://www.dof.ca.gov/forecasting/demographics/estimates>, Table E-5 *Population and Housing Estimates for Cities, Counties, and the State, January 2014-2023*

<sup>2</sup> Tepper, Taylor. "Why is Inflation So High?" Forbes Advisor, July 13, 2022, <https://www.forbes.com/advisor/investing/why-is-inflation-rising-right-now/>. July 26, 2022.

<sup>3</sup> Wile, Rob. "The Three Forces Driving Inflation Higher and What It Will Take to Cool Them Off." NBC News, April 19, 2022, <https://www.nbcnews.com/business/consumer/inflation-rate-higher-consumer-prices-driving-forces-rcna24128>. July 26, 2022.

<sup>4</sup> Tepper, Taylor. "Federal Funds Rate History 1990 to 2023" Forbes Advisor, July 26, 2023, <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>. August 28, 2023.

<sup>5</sup> U.S. Inflation Calculator, a Coin Media Group Company, <https://www.usinflationcalculator.com/inflation/current-inflation-rates>, *Current US Inflation Rates: 2000-2023*

<sup>6</sup> Chapman University, *Economic & Business Review*, June 2022, *Recessionary Clouds are Forming: The Anti-Inflation Battle Seeds Those Clouds*

recession is three quarters, suggesting that there may still be a recession in the U.S. economy in late 2023.<sup>7</sup>

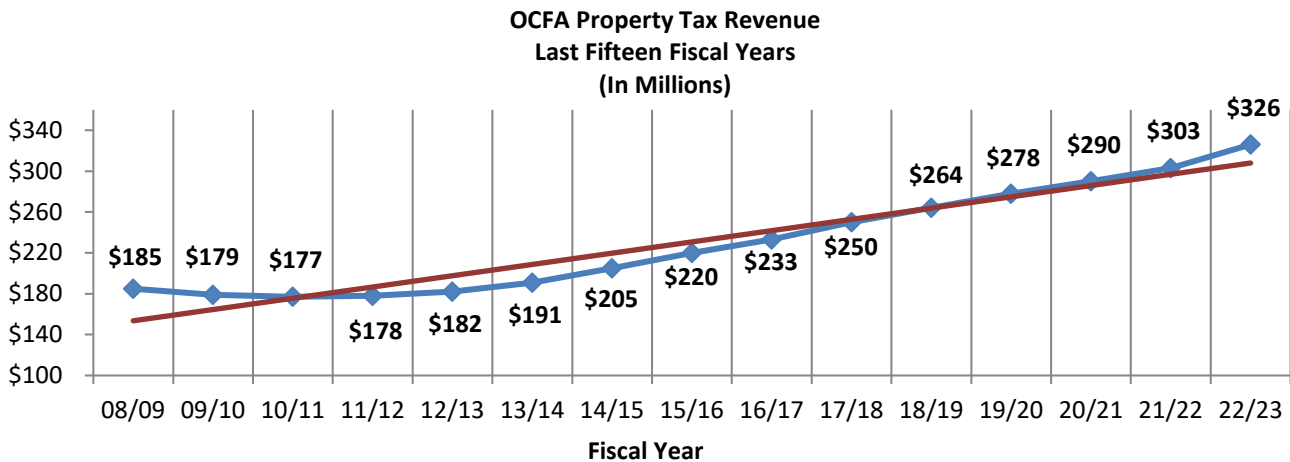
**Income and Housing Affordability:**

Households in Orange County have a median annual income of \$100,559, which exceeds state (\$84,907) and national (\$69,707) levels.<sup>8</sup> However, the county has long experienced a high cost of living and a shortage of affordable housing for its residents. Salaries have not kept up with rising home prices and there has been insufficient stock of single-family and multi-family residences to meet demand.

The median price for all homes in Orange County was approximately \$1,020,000 in 2022, an increase of 12.4% over the prior year. The number of residential building permits issued in the last year has decreased by 13.2% – from 7,471 permits in 2021 to 6,483 permits in 2022. The lack of affordable housing is negatively impacting this sector of Orange County’s economy. The housing affordability index, which measures the percentage of families with the median income to qualify for a mortgage on a median-priced home, has declined from 78.3% in 2021 to 52.9% in 2022. However, it is anticipated that falling mortgage rates and the limited supply of homes available for sale in the county may lead to future stabilization of home prices.<sup>9</sup>

**Property Taxes:**

The most significant local economic factor impacting OCFA is Orange County’s housing market, including fluctuations in new construction activities and housing prices. Property taxes derived from these activities comprised 55.9% of OCFA’s total governmental funds revenues in Fiscal Year 2022/23. As previously described, home prices continue to rise. OCFA’s property tax revenues have steadily increased since the 2007 Great Recession, as shown in the chart below. The current median, single-family home price of \$1,020,000 well exceeds the pre-recession price peak of \$747,260 from April 2007.



**Long-term Financial Planning**

Since its formation in 1995, OCFA has been preparing multi-year projections of its revenues and expenditures. A firm of property tax consultants has been retained to assist in the projection of the OCFA’s single largest revenue source – property taxes. With these projections and a collection of conservative assumptions, OCFA forecasts its financial condition five years into the future. Various scenarios can be developed from the forecast to assess the impact of proposed or impending changes to the budget, the economy, or the underlying assumptions. As a result, this tool provides an early warning of potential financial difficulties. The consultant’s method of projecting property tax revenue is to increase the value of existing structures by the 2% constitutional maximum (if CPI is 2% or greater); increase values to account for re-sales; add in the value of any new development; account for assessment appeals and reassessments in a recession; and account for value restoration post-recession.

<sup>7</sup> Chapman University, *Economic & Business Review*, June 2023, *Recession Still on the Horizon*

<sup>8</sup> Department of Numbers, <https://deptofnumbers.com/income/california/orange-county>, 2021 Real Median Household Income

<sup>9</sup> Chapman University, *Economic & Business Review*, June 2023, *Recessionary Forces Hit the County*; and Table 11 *Orange County Annual History and Forecasts: 2018-2023*



**Relevant Financial Policies**

The OCFA Board of Directors has adopted the following formal budgetary and fiscal policies:

**Financial Stability Budget Policy:** This policy is intended to guide OCFA budget actions toward maintaining long-term financial stability and to establish fund balance levels and annual funding targets for the General Fund and Capital Improvement Program (CIP). The policy also includes guidance on facilitating the accelerated payment of OCFA's unfunded liabilities for improved fiscal health.

**Fiscal Health Plan:** The purpose of this plan is to establish a framework to ensure an ongoing focus on fiscal health and a general process to ensure timely and appropriate response to adverse fiscal circumstances. This plan's cornerstones are strong fiscal policies and a comprehensive system for monitoring OCFA's budgetary performance. Financial indicators are monitored through frequent updates of OCFA's five-year financial forecast to evaluate the stability, strength, or weaknesses of OCFA's finances.

**Investment Policy:** This policy is updated annually to reflect changes in legislation and the changing needs of the OCFA. It specifies the types of investments allowed in the OCFA portfolio and the diversification and maturity requirements for investments.

**Paydown of Unfunded Liabilities:** Recognizing the potential long-term savings to OCFA, the Board has implemented several strategies to pay down its Unfunded Actuarial Accrued Liability (UAAL) for employee pensions and its long-term liability for the Retiree Medical Plan. Those strategies, known collectively as the "Snowball Plan," include additional annual payments toward the UAAL that are redirected to the Retiree Medical Plan upon reaching 85% funding.

**Roles/Responsibilities/Authorities for the OCFA:** This document identifies those roles and responsibilities that the Board has retained, as well as responsibilities that have been delegated. All authority rests with the Board unless it is delegated by statute or Board action. When delegated, these authorities are further defined by contracts, resolutions, policies, and other Board actions.

**Accounts Receivable Write-off Policy for Uncollectible Accounts:** This policy establishes the criteria and procedures for requesting uncollectible amounts to be written off.

**Short-term Debt Policy:** This policy establishes guidelines for managing the OCFA's cash flow position in a fiscally conservative manner through issuing short-term debt.

**Local Debt Policy:** This policy establishes guidelines for the issuance and management of debt financing for the acquisition, substantial refurbishment, replacement, or expansion of capital assets, or for the refunding, refinancing, or restructuring of debt to achieve debt service savings. The policy outlines accepted purposes of debt, as well as internal control procedures for the use of debt proceeds.

**Emergency Appropriations Policy:** This policy establishes guidelines for increasing appropriations in the event of extraordinary fire or emergency activity following the last Board meeting of the fiscal year.

**Workers Compensation Funding Policy:** In March 2002, OCFA implemented a workers' compensation self-insurance program. The Board has established required funding levels at 50% for outstanding losses and 50% for projected losses, as determined by an independent actuarial study.

**Assigned Fund Balance Policy:** This policy establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use.

**Fund Balance Flow Assumptions Policy:** This policy establishes the order of spending governmental fund balance categories, as defined by Governmental Accounting Standards Board (GASB) Statement No. 54.

**Grants Management Policy:** This policy establishes an overall framework for guiding OCFA's use and management of grant resources.

**Capital Projects Fund Policy:** This policy defines the types of allowable activities that may be accounted for in OCFA's capital projects funds, as defined by Governmental Accounting Standards Board (GASB) Statement No. 54.

**Major Initiatives Expected to Affect Future Financial Position**

Highlights of select initiatives that potentially impact OCFA's future financial position are described below.

**Labor Negotiations for Expiring Memorandums of Understanding (MOU):** OCFA has negotiated and implemented successor MOU's with all four of its labor groups that focus on OCFA's mission and the sustainability of services. MOU's with the Orange County Professional Firefighters Association and the Orange County Employees' Association were approved in March 2023 and April 2023, respectively. MOU's with the Chief Officers Association and Orange County Fire Authority Managers Association were both approved in June 2023.

**OCFA Aircraft Replacement Review Process and Implementation:** In March 2022, the Board of Directors approved OCFA's Aircraft Replacement Review and Work Plan (Review and Work Plan) with the intent to educate and inform policymakers on needs, options, costs, financing solutions, and recommendations pertaining to the disposition of obsolete aircraft and acquisition of replacement aircraft. The review process was completed in July 2022, with the Board directing staff to return two Federal Excess Property Program (FEPP) UH-1H Super Huey helicopters to the federal government and initiate the administrative actions to facilitate the purchase of two Sikorsky S-170 Type 1 helicopters. Approval to award a purchasing contract, approval of lease financing terms, and authorization of necessary budget adjustments was obtained in September 2022.

The \$57.9 million lease-purchase financing was completed in Fiscal Year 2022/23, and we anticipate delivery of the new helicopters by the end of calendar year 2023. Before the new aircraft are delivered to OCFA, they are being transformed from Blackhawk to Firehawk helicopters. This transformation results in a true multi-mission airframe with enhanced capabilities and safety, including digital cockpit upgrades, increased power margins, and the ability to deliver 1,000 gallons of water. The Firehawk helicopters also have a reconfigurable cabin that can accommodate up to twelve firefighting crew members and their equipment during emergency operations. The new aircraft will join OCFA's two Bell 412 helicopters, providing OCFA with four operational helicopters for the first time since 2020. With their advanced technology and increased carrying capacity, OCFA's investment in the new Firehawk helicopters will elevate OCFA's operational effectiveness.

**Accelerated Pay-Down of Pension Liability with the Orange County Employees Retirement System:** OCFA continues its policy efforts and Board actions to reduce its unfunded liabilities, thereby improving the sustainability of services. In September 2013, the Board approved several strategies to accelerate funding OCFA's Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Those strategies, referred to as the "Snowball Plan," currently include the following:

- (A) Use unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, estimated at an average amount of \$3 million annually;
- (B) Include savings from reduced retirement rates resulting from the implementation of the Public Employees' Pension Reform Act;
- (C) Budget an additional \$1 million beginning in Fiscal Year 2016/17, and increase by \$2 million each subsequent fiscal year until reaching an annual amount of \$15 million;
- (D) Contribute \$1 million annually for five years, beginning in Fiscal Year 2016/17, from surplus fund balance available from the General Fund's fund balance assignment for workers' compensation;
- (E) Contribute 50% of General Fund surplus, if any, annually beginning in Fiscal Year 2017/18 in accordance with the Financial Stability Budget Policy; and
- (F) Contribute \$500,000 annually beginning in Fiscal Year 2020/21 until the liability is 85% funded in accordance with the Irvine Settlement Agreement.

In November 2016, the Board of Directors also authorized modifications of the "Snowball Plan" to (1) alter the funding target from 100% to 85%; and (2) to redirect expedited payments from the UAAL to the OCFA's unfunded liability for the Retiree Medical Plan after achieving that 85% target. In August 2019, OCFA formalized its commitment to its "Snowball Plan" with the 4<sup>th</sup> Amendment to the Joint Powers Authority Agreement, which requires the Board to appropriate funds to its budget annually consistent with, or greater than, the budgetary payments called for in the "Snowball Plan," except for instances of fiscal hardship defined as a substantial reduction in OCFA's anticipated revenues and/or a significant increase in anticipated expenses that are beyond the reasonable control of the Board. As of December 2020, OCFA achieved 87.7% funding of its UAAL. Thus, starting in Fiscal Year 2021/22, OCFA began redirecting its cash "Snowball Plan" payments to the Retiree Medical Plan.

OCFA has been making additional payments toward its UAAL annually since Fiscal Year 2013/14, with additional payments made during Fiscal Year 2022/23 totaling \$30.5 million, with \$12.7 million directed to the pension plan UAAL and \$17.8 million directed to the Retiree Medical Plan. The Board of Directors is updated annually on the status of the pay-down plan. As of September 2023, estimates from the OCERS actuary indicated that making accelerated payments has saved OCFA \$76.7 million in interest, and OCFA is expected to achieve 100% funding of its UAAL by December 31, 2031. Below is a summary of additional payments made under the “Snowball Plan” since Fiscal Year 2013/14 toward the UAAL and the Retiree Medical Plan.

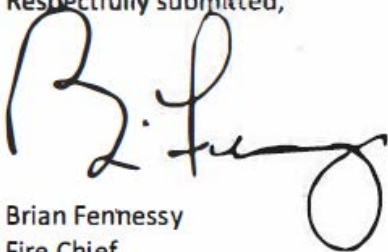
	Part A	Part B	Part C	Part D	Part E	Part F			
Fiscal Year Ended June 30	Available Fund Balance	Annual IPEPRA Savings	Annual Budget Increases	Budget Increases from Workers Comp Assignment	50% of General Fund Surplus	Irvine Settlement Agreement	Total Snowball Plan Payments	Other UAAL Rate Savings Payments	Total Additional Payments
2014	\$ 3,000,000	\$ 2,235,753	\$ -	\$ -	\$ -	\$ -	\$ 5,235,753	\$ -	\$ 5,235,753
2015	21,290,238	86,061	-	-	-	-	21,376,299	-	21,376,299
2016	12,609,380	2,802,122	-	-	-	-	15,411,502	-	15,411,502
2017	9,814,477	1,653,114	1,000,000	1,000,000	-	-	13,467,591	3,128,369	16,595,960
2018	13,174,516	1,886,420	3,000,000	1,000,000	870,041	-	19,930,977	3,164,819	23,095,796
2019	10,000,000	3,167,397	5,000,000	1,000,000	-	-	19,167,397	3,665,549	22,832,946
2020	4,030,172	1,648,658	7,000,000	1,000,000	-	-	13,678,830	7,324,607	21,003,437
2021	3,000,000	2,368,859	9,000,000	1,000,000	-	500,000	15,868,859	11,092,090	26,960,949
2022	-	-	-	-	-	-	-	10,941,312	10,941,312
2023	-	-	-	-	-	-	-	12,758,836	12,758,836
UAAL (Pension)	76,918,783	15,848,384	25,000,000	5,000,000	870,041	500,000	124,137,208	52,075,582	176,212,790
2022	-	3,279,280	11,000,000	-	-	-	14,279,280	-	14,279,280
2023	-	4,787,217	13,000,000	-	-	-	17,787,217	-	17,787,217
Retiree Medical	-	8,066,497	24,000,000	-	-	-	32,066,497	-	32,066,497
<b>Total</b>	<b>\$76,918,783</b>	<b>\$23,914,881</b>	<b>\$49,000,000</b>	<b>\$5,000,000</b>	<b>\$870,041</b>	<b>\$500,000</b>	<b>\$156,203,705</b>	<b>\$52,075,582</b>	<b>\$208,279,287</b>

**Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the OCFA for its Fiscal Year 2021/22 Annual Comprehensive Financial Report (ACFR), marking the 25<sup>th</sup> consecutive year OCFA has received this prestigious award. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. The certificate is valid for a period of one year. We believe our Fiscal Year 2022/23 ACFR continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for this year’s award.

The timely preparation of the Annual Comprehensive Financial Report was made possible by the dedicated efforts of the management and staff of the Finance Division. We acknowledge the support and direction provided to OCFA staff by the accounting firm of Lance, Soll & Lunghard, LLP. We would also like to express our appreciation to the Board of Directors and Budget and Finance Committee for their leadership and support in planning and conducting the financial operations of the OCFA responsibly and progressively.

Respectfully submitted,

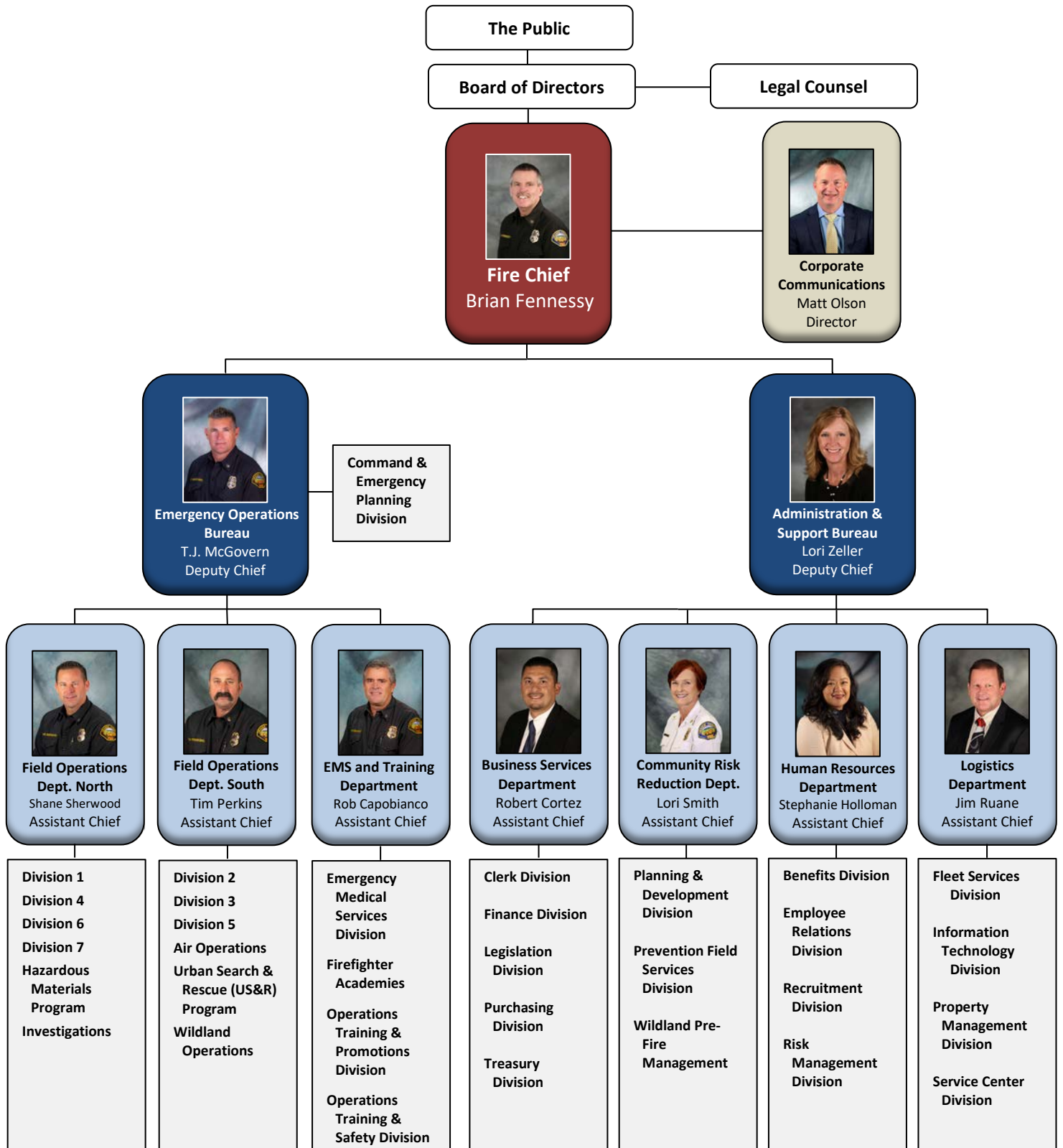


Brian Fennessy  
Fire Chief



Robert Cortez  
Assistant Chief, Business Services Department

**ORANGE COUNTY FIRE AUTHORITY**  
Organization Chart  
As of June 30, 2023



**ORANGE COUNTY FIRE AUTHORITY**  
**Management Staff and Appointed Officials**  
**As of June 30, 2023**

---

**Executive Management**

---

***Fire Chief***

Brian Fennessy

***Deputy Chiefs***

T.J. McGovern	Emergency Operations
Lori Zeller	Administration & Support

***Assistant Chiefs***

Shane Sherwood	Field Operations North
Tim Perkins	Field Operations South
Rob Capobianco	EMS and Training
Robert Cortez	Business Services
Lori Smith	Community Risk Reduction
Stephanie Holloman	Human Resources
Jim Ruane	Logistics

***Directors***

Matt Olson	Corporate Communications
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**Appointed Officials**

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Patricia Jakubiak	Treasurer
Robert Cortez	Auditor (Interim)
Maria D. Huizar	Clerk of the Authority

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**Legal Counsel**

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Woodruff & Smart	General Counsel
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**ORANGE COUNTY FIRE AUTHORITY  
Organization of Board of Directors  
As of June 30, 2023**

Orange County Fire Authority's Board of Directors has twenty-five members as of June 30, 2023. Twenty-three of the members represent member cities and two members represent the county unincorporated area. The Board of Directors meets monthly. Following are descriptions of each standing committee that has been established by the Board of Directors:

The **Executive Committee** conducts all business of the OCFA, with the exception of policy issues, including labor relations, budget issues, and other matters specifically retained by the Board. The Executive Committee consists of no more than nine members of the Board and includes the following designated positions: the Chair and Vice Chair of the Board, the immediate past Chair of the Board, and the Chair of the Budget and Finance Committee. In addition, the Chair appoints five at-large members, subject to the approval of the Board. At least one member of the County Board of Supervisors serves on this committee. In addition, the ratio of committee members representing cash contract cities to the total committee membership is as close as reasonably possible to the ratio of the number of cash contract cities to total member agencies. The Chair of the City Managers Technical Advisory Committee serves as an ex-officio, non-voting member of the Executive Committee.

The **Budget and Finance Committee** advises staff and makes recommendations to the Board on matters related to financial and budget policies, development of budgets for the General Fund and capital expenditures, assignment of fund balances, budget balancing measures, evaluation and development of plans to meet long-term financing needs, investment oversight, and purchasing policies. The Budget and Finance Committee is also designated to serve as OCFA's audit oversight committee. The Board Chair makes appointments to the committee on an annual or as-needed basis and in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities. The Board, through the Board Chair, appoints one City Manager to serve as an ex-officio, non-voting member of the committee.

The **Human Resources Committee** advises OCFA staff and makes recommendations to the Board on matters regarding human resources policies; job class specifications; compensation programs; benefit changes and renewals; labor negotiations; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.

The **Legislative and Public Affairs Committee** advises the Executive Committee and Board on matters related to public outreach and legislative affairs at the local, state, and federal levels; reviews and provides recommendations on legislative and regulatory matters that may impact OCFA; receives status reports from OCFA's legislative advocates and staff; reviews and provides recommendations pertaining to OCFA's public outreach, branding, and communications activities; and evaluates opportunities to enhance OCFA public relations. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.

The **Operations Committee** advises the Executive Committee and Board on high level policy decisions related to the operations of the OCFA. The committee reviews plans for future needs of the OCFA, explores alternatives to services, and makes recommendations to support operations. The committee is not intended to get into the day-to-day operations of OCFA, which is the responsibility of the Fire Chief and Executive Management. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.



Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Orange County Fire Authority  
California**

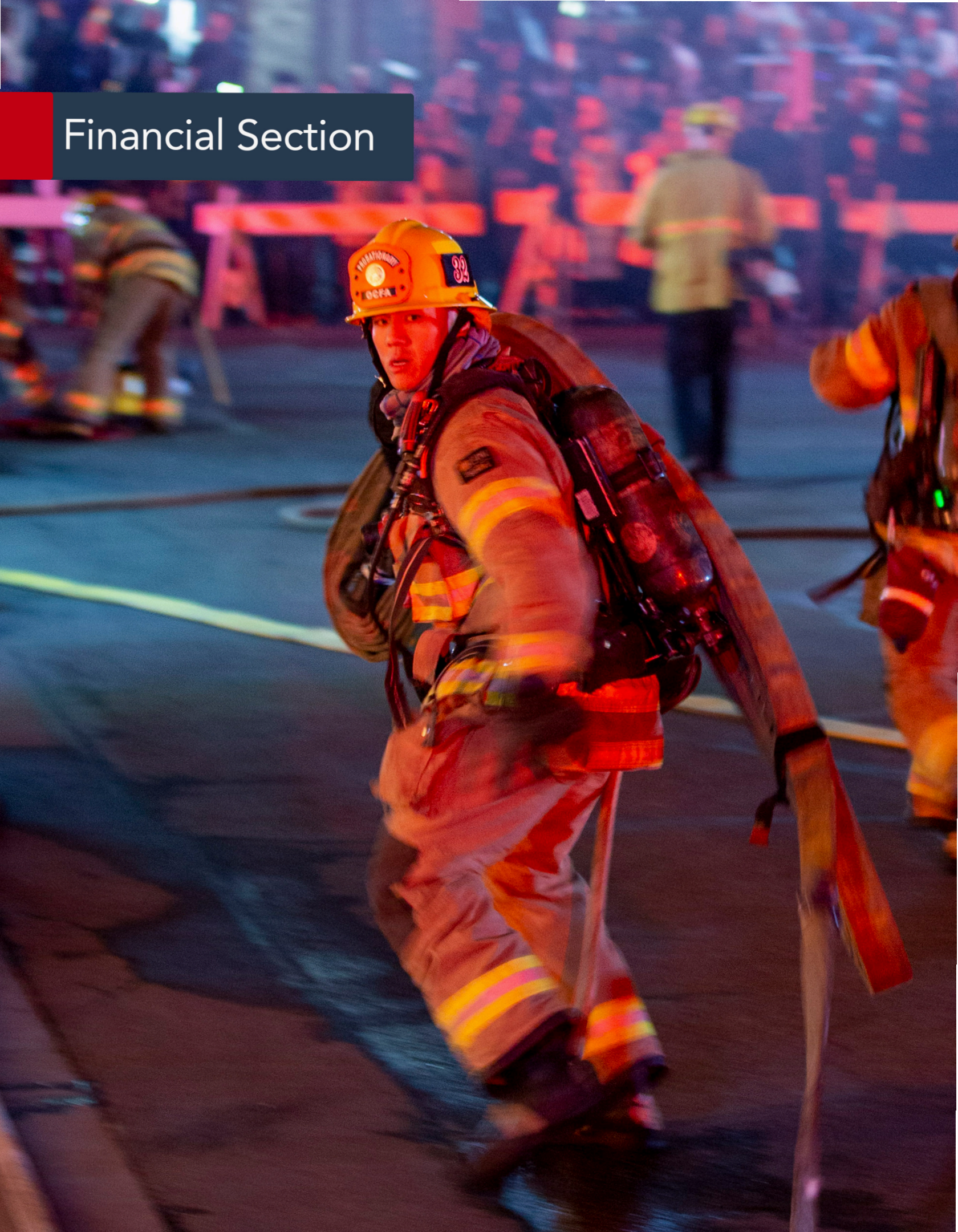
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section









## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the general fund of Orange County Fire Authority, (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the general fund of the Authority, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the combining and individual fund statements and schedules (supplementary information) that collectively comprise the Authority's basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California  
October 9, 2023

**Orange County Fire Authority**



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# Management's Discussion and Analysis



Hand Crew Graduation  
November 2, 2022



**ORANGE COUNTY FIRE AUTHORITY**  
**Management’s Discussion and Analysis**  
**Year ended June 30, 2023**

As management of the Orange County Fire Authority (OCFA), we offer readers of the financial statements this overview and analysis of OCFA’s financial activities for the fiscal year ended June 30, 2023.

**Financial Highlights**

**Governmental Activities:** OCFA’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$62,396,905 at June 30, 2023. Net position consisted of net investment in capital assets totaling \$209,059,816; amounts restricted for capital and other projects totaling \$42,216,444; and an unrestricted deficit totaling \$188,879,355. Net position increased by \$109,203,330 as the result of current year operations.

**Governmental Funds:** OCFA’s governmental fund balances totaled \$309,953,173 at June 30, 2023, an increase of \$65,958,817 over the prior fiscal year as a result of current year operations. Approximately 8.6% was available for funding future operational needs.

**General Fund:** Fund balance in the General Fund was categorized as follows at June 30, 2023:

➤	Nonspendable	\$ 32,542,882
➤	Restricted	12,044,728
➤	Committed	3,519,541
➤	Assigned	154,226,631
➤	Unassigned	<u>26,725,234</u>
	Fund balance of the General Fund as of June 30, 2023	<u>\$229,059,016</u>

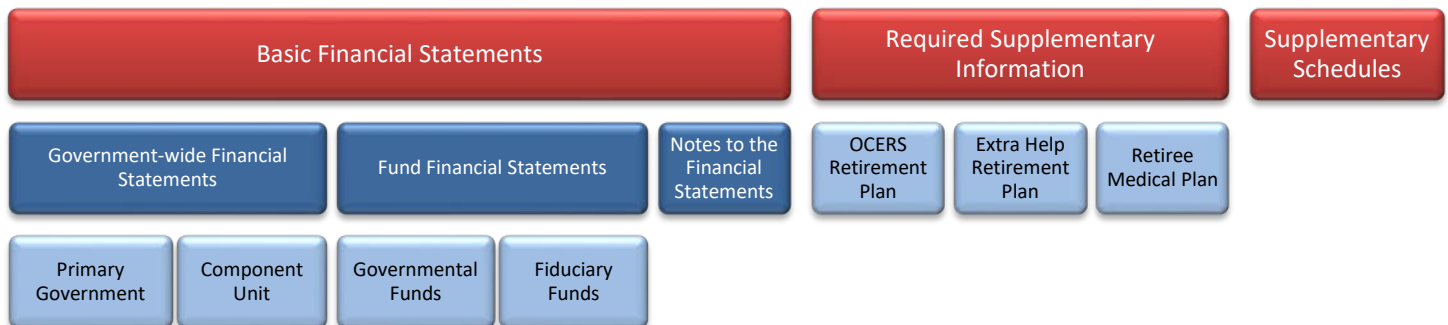
**Events with Significant Financial Impact:**

**Funding the Retiree Medical Plan:** As of December 2020, OCFA achieved 87.7% funding of its Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Thus, during Fiscal Year 2022/23, OCFA redirected \$17,787,217 in cash “Snowball Plan” payments to the Retiree Medical Plan in accordance with the 4<sup>th</sup> Amendment to the Joint Powers Authority Agreement.

**Debt Issuance:** During Fiscal Year 2022/23, OCFA entered into a Master Equipment Lease/Purchase Agreement in the amount of \$57,882,120 for the purpose of acquiring and installing two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training. The helicopters were in the process of being constructed as of June 30, 2023.

**Overview of the Financial Statements**

This discussion and analysis serves as an introduction to OCFA’s basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition, the financial section of this report contains required supplementary information and supplementary schedules.





**Government-wide Financial Statements:** The government-wide financial statements provide a broad overview of OCFA's and the OCFA Foundation's finances in a manner like private-sector business. Public safety activities are reported as governmental activities, because they are principally supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 25-26.

**Statement of Net Position:** The statement of net position presents information on assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The differences between these items are reported as "net position." Over time, increases or decreases in net position serve as an indicator of whether the financial position is improving or deteriorating.

**Statement of Activities:** The statement of activities shows how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**Fund Financial Statements:** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other state and local governments, OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. OCFA's funds can be divided into two categories – governmental and fiduciary.

**Governmental Funds:** Governmental funds account for essentially the same functions as those reported in the government-wide financial statements as "governmental activities." However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements. Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of near-term financial decisions. Reconciliations are provided to facilitate this comparison for the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

OCFA reports four governmental funds. Information for each governmental fund is presented separately in the fund financial statements, because OCFA has elected to classify all governmental funds as major funds. OCFA adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements or schedules are provided for the governmental funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 27-32.

**Fiduciary Funds:** Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support OCFA's own programs. Combined basic fiduciary fund financial statements can be found on pages 33-34.

**Notes to the Financial Statements and Required Supplementary Information (RSI):** The notes to the financial statements and RSI provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements, including information about OCFA's retirement and other postemployment benefit plans. RSI, while not a part of the basic financial statements, is considered to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The notes to the financial statements can be found on pages 35-87 and RSI can be found on pages 89-102.

**Supplementary Schedules:** The budgetary schedules referred to earlier in connection with governmental funds are presented in the supplementary schedules section. Combining and individual fund schedules can be found on pages 103-117.

### Government-wide Financial Analysis

**Net Position:** As noted earlier, the change in net position over time serves as a useful indicator of a government's financial position. In the case of OCFA, net position totaled \$62,396,905 at the end of the most recent fiscal year, a 233.3% change from the prior fiscal year. Following is a summary of OCFA's net position as of June 30, 2023 and 2022:

<b>ORANGE COUNTY FIRE AUTHORITY's Net Position</b>				
<u>Governmental Activities</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
<b>Assets:</b>				
Current and other assets	\$ 311,355,707	\$ 251,101,071	\$ 60,254,636	24.0%
Restricted assets	19,896,244	5,221,012	14,675,232	281.1%
Proportionate share net pension asset	-	104,907,413	(104,907,413)	-100.0%
Capital assets, net	<u>265,329,787</u>	<u>218,977,442</u>	<u>46,352,345</u>	21.2%
<b>Total assets</b>	<b><u>596,581,738</u></b>	<b><u>580,206,938</u></b>	<b><u>16,374,800</u></b>	<b>2.8%</b>
<b>Deferred outflows of resources:</b>				
Related to pensions/OPEB	<u>268,112,178</u>	<u>131,162,798</u>	<u>136,949,380</u>	104.4%
<b>Total deferred outflows of resources</b>	<b><u>268,112,178</u></b>	<b><u>131,162,798</u></b>	<b><u>136,949,380</u></b>	<b>104.4%</b>
<b>Liabilities:</b>				
Long-term liabilities	619,934,017	255,021,486	364,912,531	143.1%
Other liabilities	<u>35,046,192</u>	<u>26,083,569</u>	<u>8,962,623</u>	34.4%
<b>Total liabilities</b>	<b><u>654,980,209</u></b>	<b><u>281,105,055</u></b>	<b><u>373,875,154</u></b>	<b>133.0%</b>
<b>Deferred inflows of resources:</b>				
Related to leases	839,179	800,802	38,377	4.8%
Related to pensions/OPEB	<u>146,477,623</u>	<u>476,270,304</u>	<u>(329,792,681)</u>	-69.2%
<b>Total deferred inflows of resources</b>	<b><u>147,316,802</u></b>	<b><u>477,071,106</u></b>	<b><u>(329,754,304)</u></b>	<b>-69.1%</b>
<b>Net position:</b>				
Net investment in capital assets	209,059,816	214,082,791	(5,022,975)	-2.3%
Restricted for capital projects	30,194,753	634,157	29,560,596	4661.4%
Restricted for augmentation and upstaffing activities	1,581,979	1,683,073	(101,094)	-6.0%
Restricted for greenhouse gas reduction activities	3,123,572	2,557,259	566,313	22.1%
Restricted for Section 115 pension trust	7,316,140	5,224,229	2,091,911	40.0%
Unrestricted	<u>(188,879,355)</u>	<u>(270,987,934)</u>	<u>82,108,579</u>	30.3%
<b>Total net position (deficit)</b>	<b><u>\$ 62,396,905</u></b>	<b><u>\$ (46,806,425)</u></b>	<b><u>\$ 109,203,330</u></b>	<b>233.3%</b>

**Net Investment in Capital Assets:** At June 30, 2023, the largest portion of OCFA's net position is its net investment in capital assets. OCFA uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Repayment of any debt issued to acquire capital assets must be from other sources. OCFA cannot sell the assets to obtain funding.

**Net Position Restricted for Capital Projects and Other Purposes:** An additional portion of OCFA's net position includes resources that are subject to external restrictions on how they may be used. As of June 30, 2023, restricted net position relates to California Department of Forestry (CALFIRE) contract revenues that are legally restricted for fire station development; state funding restricted for augmentation, upstaffing, and greenhouse gas reduction activities; amounts set aside in a Section 115 pension trust per contractual requirements; and unspent debt proceeds from the 2022 helicopter lease purchase agreement.

**Unrestricted Net Position:** The remaining balance of net position is considered unrestricted. A positive unrestricted balance would represent amounts that may be used to meet OCFA's ongoing obligations to citizens and creditors. A deficit unrestricted balance, as reported on June 30, 2023, and June 30, 2022, indicates that OCFA's obligations currently exceed its resources. As of June 30, 2023, this deficit is due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75 during Fiscal Year 2014/15 and Fiscal Year 2017/18, respectively. These statements required OCFA to begin reporting its net pension liabilities and the full amount of its net other postemployment benefit liabilities (OPEB) on the Statement of Net Position.

**Changes in Net Position:** Net position of OCFA's governmental activities increased by \$109,203,330 during the most recent fiscal year, an indication that OCFA's financial position has improved.

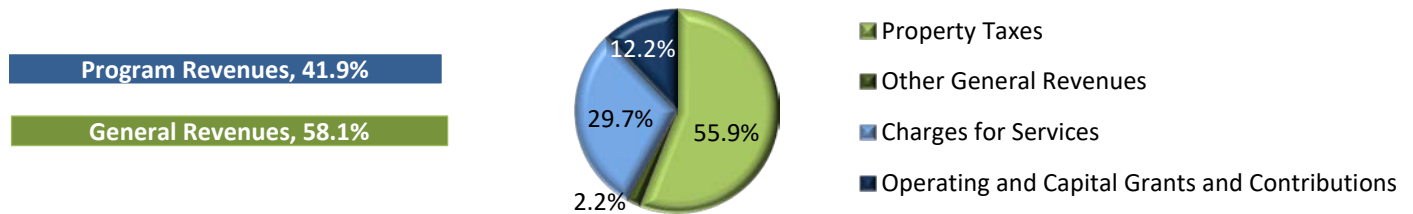
Governmental activities are divided into two categories – program and general. Program revenues are those derived directly from a government program itself, or from parties outside the government's taxpayers, and thus reduce the net cost of providing that program. Any program expenses that are not offset by program revenues must essentially be financed by general revenues, such as taxes and investment earnings. Following is a summary of the changes in OCFA's net position for Fiscal Year 2022/23 and Fiscal Year 2021/22, followed by explanations for the increases or decreases in revenues and expenses between fiscal years.

**ORANGE COUNTY FIRE AUTHORITY's Changes in Net Position**

Governmental Activities	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
<b>Program revenues:</b>				
Charges for services	\$ 173,110,122	\$ 174,072,175	\$ (962,053)	-0.6%
Operating grants and contributions	52,867,337	38,289,243	14,578,094	38.1%
Capital grants and contributions	18,386,450	401,221	17,985,229	4482.6%
<b>Total program revenues</b>	<b>244,363,909</b>	<b>212,762,639</b>	<b>31,601,270</b>	<b>14.9%</b>
<b>General revenues:</b>				
Property taxes	326,138,528	302,861,759	23,276,769	7.7%
Investment income	5,388,518	(4,799,952)	10,188,470	212.3%
Gain on disposal of capital assets	-	17,777	(17,777)	-100.0%
Miscellaneous	7,623,310	4,020,895	3,602,415	89.6%
<b>Total general revenues</b>	<b>339,150,356</b>	<b>302,100,479</b>	<b>37,049,877</b>	<b>12.3%</b>
<b>Total revenues</b>	<b>583,514,265</b>	<b>514,863,118</b>	<b>68,651,147</b>	<b>13.3%</b>
<b>Public safety expenses:</b>				
Salaries and benefits	346,185,496	249,802,878	96,382,618	38.6%
Services and supplies	101,221,979	93,296,815	7,925,164	8.5%
Depreciation and amortization	25,712,134	13,232,063	12,480,071	94.3%
<b>Total program expenses</b>	<b>473,119,609</b>	<b>356,331,756</b>	<b>116,787,853</b>	<b>32.8%</b>
Interest on long-term debt	1,191,326	-	1,191,326	n/a
<b>Total expenses</b>	<b>474,310,935</b>	<b>356,331,756</b>	<b>117,979,179</b>	<b>33.1%</b>
Change in net position	109,203,330	158,531,362	(49,328,032)	
Net position (deficit), beginning of year	(46,806,425)	(207,511,949)	160,705,524	
Prior period adjustment	-	2,174,162	(2,174,162)	
<b>Net position (deficit), end of year</b>	<b>\$ 62,396,905</b>	<b>\$ (46,806,425)</b>	<b>\$109,203,330</b>	<b>233.3%</b>

**Revenues of Governmental Activities - By Source**

**Fiscal Year 2022/23**



**Program Revenues:** Program revenues, which totaled \$244,363,909 for Fiscal Year 2022/23 and accounted for 41.9% of total revenues, increased by \$31,601,270 over the prior fiscal year.

**Charges for Services** include amounts received from those who purchase, use, or directly benefit from or are affected by a program. These revenues decreased by \$962,053 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
-\$8,820,000	Reimbursements for state and federal "assistance by hire" incidents vary depending on emergency response activity. State reimbursements decreased in Fiscal Year 2022/23 by \$7,970,000. OCFA responded to forty-six state incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Significant fire incidents in Fiscal Year 2021/22 included the out-of-county Dixie and Caldor fires. Federal responses to national emergency incidents and for the Fire Management Assistance Grant (FMAG) program decreased in Fiscal Year 2022/23 by \$850,000. Activity was higher in the prior fiscal year due to the in-county Coastal fire and the out-of-county Jim fire.

(Continued)

(Continued)

Amount (Rounded)	Reason for Increase / Decrease
+\$6,345,000	OCFA contracts to provide emergency response services to its cash contract cities and other government agencies. Revenues from cash contract cities increased by \$2,955,000 during Fiscal Year 2022/23 based on contractual terms of the Joint Powers Agreement. Other changes in Fiscal Year 2022/23 included contracts with CALFIRE for protection of State Responsibility Area (SRA) lands (+\$3,420,000) and with John Wayne Airport for Airport Rescue Firefighting (ARFF) Services (-\$30,000).
+\$1,290,000	Fee-based fire prevention revenues for inspections, planning and development, and related late fees increased in Fiscal Year 2022/23 primarily due implementation of a new base fee for inspections.
+\$290,000	Ambulance transport reimbursements increased in Fiscal Year 2022/23 due to an increase in transport activities as compared to the prior fiscal year.
-\$70,000	Funding for OCFA's response to the COVID-19 pandemic decreased in Fiscal Year 2022/23. During the prior fiscal year, OCFA recognized a public assistance reimbursement claim totaling \$310,000 from the Federal Emergency Management Agency (FEMA) and \$60,000 for the Operation Independence vaccine distribution initiative funded through the County of Orange. During the current fiscal year, \$300,000 in FEMA revenue was recognized.
-\$965,000	<b>Program Revenues: Charges for Services – Net Decrease</b>

**Operating Grants and Contributions** include grants, contributions, donations, and similar items that are restricted to one or more specific program. These revenues increased by \$14,578,094 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$7,625,000	In both the current and prior fiscal years, OCFA received donations from Southern California Edison (SCE) to support the Quick Reaction Force (QRF), a seasonal wildland air operations program. Current fiscal year revenues are higher because the program operated for the entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year.
+\$6,990,000	During Fiscal Year 2022/23, OCFA received \$16.0 million in state revenue to fund the Fire Integrated Real-Time Intelligence System (FIRIS) program in support of the wildfire season. This was an increase over the \$9.0 million in state funding received for the same program in the prior fiscal year. The increase in revenue reimbursements correlated with OCFA's rising costs to operate the program, including increases to lease fixed wing aircraft (+\$4.6 million) and for air tactical ground support (+\$1.9 million).
+\$520,000	Federal and state operating grants increased in Fiscal Year 2022/23 since OCFA incurred more reimbursable costs for certain grants, including the ongoing Urban Search & Rescue program.
-\$555,000	Net changes in other operating grants and contributions decreased primarily due to state funding used for greenhouse gas reduction activities (-\$460,000); state funding for a Western Region Multi-Task Force exercise (MOBEX Drill) (-\$320,000); state grant funding for vegetation management (+\$175,000); and projects eligible for reimbursement from the California Firefighter Joint Apprenticeship Committee (+\$50,000).
+\$14,580,000	<b>Program Revenues: Operating Grants and Contributions – Net Increase</b>

**Capital Grants and Contributions** include grants, contributions, donations, and similar items that are restricted to one or more specific capital-related programs. These revenues increased by \$17,985,229 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$17,335,000	Federal and state grants and other funding sources received for capital-related activities increased in Fiscal Year 2022/23. OCFA received \$16,950,000 in state funding for the construction of a new hand crew fire station. In addition, cost-reimbursement based grants were higher in Fiscal Year 2022/23 for fuel reduction equipment (+\$230,000), an education trailer (+\$150,000), and a mobile helicopter dip tank (+\$5,000).
+\$650,000	Revenues from developers increased per the terms of various Secured Fire Protection Agreements. Contributions varied between the prior and current year because of construction projects in the cities of Cypress, Lake Forest, and Irvine. In addition, during Fiscal Year 2022/23, OCFA received a developer fee reimbursement relating to a new type 1 engine assigned to Fire Station No. 67 (Rancho Mission Viejo).
+\$17,985,000	<b>Program Revenues: Capital Grants and Contributions – Net Increase</b>

**General Revenues:** General revenues, which totaled \$339,150,356 for Fiscal Year 2022/23 and accounted for 58.1% of total revenues, increased by \$37,049,877 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease																												
+\$23,275,000	Property taxes increased by \$23,275,000 over the prior fiscal year primarily due to increases in secured property taxes. Secured property taxes increased by 5.9%, which is consistent with a corresponding 5.8% increase in the assessed property values for jurisdictions within OCFA’s structural fire fund.																												
+\$10,185,000	Investment income increased by \$10,185,000. OCFA’s year-to-date effective rate of return on its investment portfolio was 2.27% at June 30, 2023, as compared to 0.46% at June 30, 2022, generating an increase to overall portfolio earnings. OCFA adjusts its investments to market value as of June 30 each year. This resulted in an overall investment loss in Fiscal Year 2022/23, but generated an increase in investment income as compared to the prior fiscal year’s larger market value loss. The market value adjustment is a “paper only” transaction since OCFA typically holds its investments to maturity. These and other components of investment income are summarized below: <table border="1" style="margin-left: 40px; margin-top: 10px;"> <thead> <tr> <th></th> <th>FY 2022/23</th> <th>FY 2021/22</th> <th>Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Portfolio earnings</td> <td>\$4,607,735</td> <td>\$ 745,631</td> <td>\$ 3,862,104</td> </tr> <tr> <td>Market value gain (loss)</td> <td>(179,777)</td> <td>(5,775,499)</td> <td>5,595,722</td> </tr> <tr> <td>Interest on property taxes</td> <td>403,825</td> <td>78,953</td> <td>324,872</td> </tr> <tr> <td>Section 115 pension trust</td> <td>154,802</td> <td>77,794</td> <td>77,008</td> </tr> <tr> <td>Helicopter debt escrow account</td> <td>324,428</td> <td>-</td> <td>324,428</td> </tr> <tr> <td><b>Total investment income</b></td> <td><b>\$5,311,013</b></td> <td><b>\$(4,873,121)</b></td> <td><b>\$10,184,134</b></td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	Portfolio earnings	\$4,607,735	\$ 745,631	\$ 3,862,104	Market value gain (loss)	(179,777)	(5,775,499)	5,595,722	Interest on property taxes	403,825	78,953	324,872	Section 115 pension trust	154,802	77,794	77,008	Helicopter debt escrow account	324,428	-	324,428	<b>Total investment income</b>	<b>\$5,311,013</b>	<b>\$(4,873,121)</b>	<b>\$10,184,134</b>
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+\$3,590,000	Miscellaneous and other revenues increased primarily due to amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with the contract governing OCFA’s contributions to the firefighter medical trust.																												
+\$37,050,000	<b>General Revenues – Net Increase</b>																												



**Public Safety Expenses:** Total public safety expenses increased by \$116,787,853 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$1,590,000	Reasons for increases and decreases to the following categories of salaries and benefits are further explained in the <b>Major Governmental Funds – General Fund</b> portion of this Management’s Discussion and Analysis (see page 14): regular pay (+\$3,525,000); overtime (-\$3,045,000); health insurance (+\$900,000); other pay (+\$755,000); and vacation and sick leave payouts (-\$545,000).
+\$96,350,000	Retirement contributions remitted to the Orange County Employees Retirement System (OCERS) decreased by \$9,350,000. Reasons for the decrease in actual plan contributions are further explained in the <b>Major Governmental Funds – General Fund</b> portion of this Management’s Discussion and Analysis (see page 14). In addition, under the requirements of GASB Statement No. 68, the amount of pension expense recognized during Fiscal Year 2022/23 to fully capture OCFA’s share of the net pension liability in its governmental activities was \$105,700,000 more than the prior fiscal year.
-\$3,050,000	Employer contributions to the Retiree Medical Plan increased by \$8,550,000. Reasons for the increase in actual plan contributions are further explained in the <b>Major Governmental Funds – General Fund</b> portion of this Management’s Discussion and Analysis (see page 14). In addition, under the requirements of GASB Statement No. 75, the amount of OPEB expense recognized during Fiscal Year 2022/23 in order to fully capture OCFA’s net OPEB liability in its governmental activities was \$11,600,000 less than the prior fiscal year.

(Continued)

(Continued)

Amount (Rounded)	Reason for Increase / Decrease																
+\$1,495,000	The net change in long-term liabilities for various employee leave balances increased by \$1,495,000 as compared to the prior fiscal year and is recognized as an expense (credit) in the governmental activities.																
+\$96,385,000	<b>Subtotal for Public Safety Salaries and Benefits – Net Increase</b>																
+\$13,655,000	Reasons for increases and decreases to the following categories of services and supplies are further explained in the <b>Major Governmental Funds</b> portion of this Management’s Discussion and Analysis (see pages 15-18): <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">➤ FIRIS program</td> <td style="text-align: right;">+\$6,630,000</td> </tr> <tr> <td>➤ VHF radios</td> <td style="text-align: right;">-\$1,540,000</td> </tr> <tr> <td>➤ Insurance premiums</td> <td style="text-align: right;">+\$715,000</td> </tr> <tr> <td>➤ Other services and supplies (various funds)</td> <td style="text-align: right;">+\$7,850,000</td> </tr> <tr> <td style="padding-left: 20px;">Total – net increase in expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">+\$13,655,000</td> </tr> </table>	➤ FIRIS program	+\$6,630,000	➤ VHF radios	-\$1,540,000	➤ Insurance premiums	+\$715,000	➤ Other services and supplies (various funds)	+\$7,850,000	Total – net increase in expenses	+\$13,655,000						
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➤ Other services and supplies (various funds)	+\$7,850,000																
Total – net increase in expenses	+\$13,655,000																
-\$6,640,000	<p>OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund the Quick Reaction Force (QRF) air operations program, which is designed to enhance OCFA’s regional aerial wildland fire response and benefit the residents and businesses within Southern California Edison’s service territory. Payments made to vendors to operate the program (excluding flight time) are \$6,210,000 higher in Fiscal Year 2022/23 because the program operated for entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year. However, during Fiscal Year 2022/23, OCFA amended its long-term lease agreement with Coulson Aviation (USA) Inc. and thus reported a right-to-use lease liability for aircraft used in the QRF program. Lease payments are considered a reduction to the outstanding principal balance of the lease, rather than an expense. The net impact was an overall \$6,640,000 decline in QRF program expenses as shown in the table below.</p> <table style="width: 100%; margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2022/23</th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2021/22</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>QRF program vendor payments (excluding flight time)</td> <td style="text-align: right;">\$ 16,305,000</td> <td style="text-align: right;">\$10,095,000</td> <td style="text-align: right;">\$ 6,210,000</td> </tr> <tr> <td>Less: Coulson aircraft lease principal payments</td> <td style="text-align: right;">(12,850,000)</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(12,850,000)</td> </tr> <tr> <td style="padding-left: 20px;">Total QRF program expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,455,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$10,095,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$(6,640,000)</td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	QRF program vendor payments (excluding flight time)	\$ 16,305,000	\$10,095,000	\$ 6,210,000	Less: Coulson aircraft lease principal payments	(12,850,000)	-	(12,850,000)	Total QRF program expenses	\$ 3,455,000	\$10,095,000	\$(6,640,000)
	FY 2022/23	FY 2021/22	Increase (Decrease)														
QRF program vendor payments (excluding flight time)	\$ 16,305,000	\$10,095,000	\$ 6,210,000														
Less: Coulson aircraft lease principal payments	(12,850,000)	-	(12,850,000)														
Total QRF program expenses	\$ 3,455,000	\$10,095,000	\$(6,640,000)														
+\$910,000	<p>OCFA’s long-term liability for workers’ compensation reflects the present value of estimated outstanding losses, as determined by an actuarial valuation and the “confidence level” set by the Board of Directors. The change in the actuarial liability estimate, plus actual cash claims paid, is recognized as an expense.</p> <table style="width: 100%; margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2022/23</th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2021/22</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Actual claims paid</td> <td style="text-align: right;">\$15,125,000</td> <td style="text-align: right;">\$13,750,000</td> <td style="text-align: right;">\$1,375,000</td> </tr> <tr> <td>Change in actuarial estimate</td> <td style="text-align: right;">12,065,000</td> <td style="text-align: right;">12,530,000</td> <td style="text-align: right;">(465,000)</td> </tr> <tr> <td style="padding-left: 20px;">Total expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$27,190,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$26,280,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 910,000</td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	Actual claims paid	\$15,125,000	\$13,750,000	\$1,375,000	Change in actuarial estimate	12,065,000	12,530,000	(465,000)	Total expenses	\$27,190,000	\$26,280,000	\$ 910,000
	FY 2022/23	FY 2021/22	Increase (Decrease)														
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Change in actuarial estimate	12,065,000	12,530,000	(465,000)														
Total expenses	\$27,190,000	\$26,280,000	\$ 910,000														
+\$7,925,000	<b>Subtotal for Public Safety Services and Supplies – Net Increase</b>																
+\$12,480,000	<b>Public Safety Depreciation and Amortization Expense</b> , which had no impact on OCFA’s cash balances, increased by \$12,480,000, and pertained primarily to depreciation on right-to-use lease aircraft and vehicles. Fiscal Year 2022/23 was the first partial year of depreciation on the aircraft leased from Coulson Aviation (USA) Inc., as well as the first full year of depreciation on eight type one engines that were placed into service during the prior fiscal year.																
+\$116,790,000	<b>Total Public Safety Expenses – Net Decrease</b>																

**OCFA Foundation:** OCFA reports the financial activities of the OCFA Foundation as a discretely presented component unit in its government-wide financial statements. The OCFA Foundation also issues separate, component-unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California, 92602. The net position of the OCFA Foundation totaled \$302,944 at June 30, 2023, an 11.8% decrease from the prior fiscal year. Following is a summary of the OCFA Foundation’s net position as of and for the changes thereof for the fiscal years ending June 30, 2023 and 2022:

<b>OCFA FOUNDATION's Condensed Financial Activity</b>				
<u>Component Unit</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
<b>Assets:</b>				
Current and other assets	\$328,218	\$356,106	\$(27,888)	-7.8%
Capital assets, net	<u>11,118</u>	<u>11,917</u>	<u>(799)</u>	-6.7%
<b>Total assets</b>	<b><u>339,336</u></b>	<b><u>368,023</u></b>	<b><u>\$(28,687)</u></b>	<b>-7.8%</b>
<b>Liabilities:</b>				
Other liabilities	<u>36,392</u>	<u>24,569</u>	<u>11,823</u>	48.1%
<b>Total liabilities</b>	<b><u>36,392</u></b>	<b><u>24,569</u></b>	<b><u>11,823</u></b>	<b>48.1%</b>
<b>Net position:</b>				
Investment in capital assets	11,118	11,917	(799)	-6.7%
Restricted for grants, donations, and other programs	92,629	83,077	9,552	11.5%
Unrestricted	<u>199,197</u>	<u>248,460</u>	<u>(49,263)</u>	-19.8%
<b>Total net position</b>	<b><u>\$302,944</u></b>	<b><u>\$343,454</u></b>	<b><u>\$(40,510)</u></b>	<b>-11.8%</b>
<b>Program revenues:</b>				
Operating grants and contributions	<u>\$189,805</u>	<u>\$109,139</u>	<u>\$ 80,666</u>	73.9%
<b>Total revenues</b>	<b><u>189,805</u></b>	<b><u>109,139</u></b>	<b><u>80,666</u></b>	<b>73.9%</b>
<b>Public safety expenses:</b>				
Services and supplies	229,516	122,619	106,897	87.2%
Depreciation and amortization	<u>799</u>	<u>799</u>	<u>-</u>	n/a
<b>Total expenses</b>	<b><u>230,315</u></b>	<b><u>123,418</u></b>	<b><u>106,897</u></b>	<b>86.6%</b>
Change in net position	(40,510)	(14,279)	(26,231)	
Net position, beginning of year	<u>343,454</u>	<u>357,733</u>	<u>(14,279)</u>	
<b>Net position, end of year</b>	<b><u>\$302,944</u></b>	<b><u>\$343,454</u></b>	<b><u>\$(40,510)</u></b>	<b>-11.8%</b>

**Net Position:** At June 30, 2023, a portion of OCFA Foundation's net position reflects its investment in capital assets, which are not available for future spending. An additional portion of net position represents resources subject to external, donor-imposed restrictions that will be met through the actions of the Foundation or the passage of time. As of June 30, 2023, restricted net position included unspent amounts received for the Smoke Alarm Outreach Program, Drowning Prevention, the Fire Cadet Academy, the September 11<sup>th</sup> Memorial Project, the Girls Empowerment Camp, and projects at fire stations in Irvine, Laguna Hills, and Laguna Niguel. The remaining balance of the OCFA Foundation's net position is considered unrestricted and may be used to meet ongoing obligations.

**Changes in Net Position:** During Fiscal Year 2022/23, operating grants and contributions included \$59,976 in general contributions and \$129,829 in donations and other revenues restricted for various OCFA Foundation programs. Services and supplies expenses included \$10,935 for administrative costs such as bookkeeping services, credit card website services and convenience fees, gifts, and food. Other services and supplies expenses totaling \$218,581 related to various programs.

#### Financial Analysis of OCFA's Governmental Funds

**Governmental Funds:** OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of OCFA's governmental funds is on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the OCFA's financing requirements. Fund balance is divided into the following five categories:

- **Nonspendable:** Not in a spendable form, or legally or contractually required to remain intact
- **Restricted:** Subject to externally enforceable legal restrictions
- **Committed:** Use is constrained by specific limitations that the Board of Directors imposes upon itself by a formal action
- **Assigned:** Intended to be used by the government for specific purposes, subject to change, as established by the governing body itself or by management officials who have been delegated authority by the governing body
- **Unassigned:** Residual amounts in the General Fund available for any purpose (may serve as a useful measure of a government's net resources available for funding future operational needs)

**Major Governmental Funds:** If the assets, liabilities, revenues, or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as major in the fund financial statements. OCFA has elected to classify all its governmental funds as major, regardless of the calculation. Following is a description of the changes in each fund’s revenues, expenditures, and other financing sources and uses from the prior to the current fiscal year, and how those changes impacted net fund balance. **Increases to revenues and other financing sources impact fund balance positively, while increases to expenditures and other financing uses impact fund balance negatively.**



The **General Fund** is the chief operating fund of OCFA. At the end of Fiscal Year 2022/23, the General Fund’s fund balance totaled \$229,059,016. Unassigned fund balance totaling \$26,725,234 (11.7%) is available for future spending. The remaining \$202,333,782 (88.3%) is not available for spending on any new purpose, because it has already been restricted, committed or assigned for specific purposes, or is in a nonspendable form. Total fund balance of OCFA’s General Fund increased by \$28,576,415 during the current fiscal year. The prior fiscal year’s fund balance increased by \$8,027,985, a difference of \$20,548,430. The significant reason(s) for that net difference are summarized in the following tables.

	<b>Impact on Fund Balance (Rounded)</b>
Revenues – net increase	+\$49,560,000
Expenditures – net increase	-\$40,585,000
Other financing sources and uses – net increase	+\$11,575,000
Impact on fund balance – net increase	+\$20,550,000

Impact on Fund Balance (Rounded)	Description
+\$23,275,000	<b>Taxes.</b> Revenue from property taxes increased primarily due to secured property taxes, which were 5.9% higher than the prior fiscal year. The increase in secured property taxes is related to a rise in assessed property values for jurisdictions within OCFA’s structural fire fund.
+\$12,545,000	<b>Miscellaneous.</b> The increase in miscellaneous revenue primarily relates to donations from Southern California Edison (SCE) in conjunction with the Quick Reaction Force (QRF) seasonal wildland air operations program. Current fiscal year revenues are higher by approximately \$7,625,000, because the program operated for the entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year. In addition, the increase in Fiscal Year 2022/23 miscellaneous revenue was attributed in part to a \$5,045,000 increase in amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with OCFA’s contract governing contributions to the firefighter medical trust, which pays monthly health care premiums for employees in the firefighter unit.
+\$7,560,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$7,150,000. Other increases included interest related to property taxes (+\$325,000), interest from the Section 115 pension trust (+75,000), and lease revenue earned from the Regional Fire Operations Training Center (RFOTC) cell phone tower (+\$10,000).
+\$4,415,000	<b>Charges for Services.</b> The most significant increase in charges for services was over \$2.8 million for operating and facilities charges to cash contract cities per terms of the Joint Powers Agreement. In addition, inspection fees increased by \$1 million, which is attributed in part to a new base fee charged to customers.
+\$1,765,000	<b>Intergovernmental.</b> The net increase in intergovernmental revenue primarily related to a \$3.4 million increase in operating contract revenue with CALFIRE for protection of State Responsibility Area (SRA) lands. This was offset by an overall \$1.8 million decline in state and federal “assistance by hire” for emergency response activity and federal reimbursements for responses to tropical cyclones and other disasters. OCFA responded to forty-six state incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Federal responses to national emergency incidents and for the Fire Management Assistance Grant (FMAG) program was also higher in the prior fiscal year due to the in-county Coastal fire and the out-of-county Jim fire.
<b>+\$49,560,000</b>	<b>Subtotal – Impact of Revenues</b>

(Continued)



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(Continued)

Impact on Fund Balance (Rounded)	Description																		
+\$9,350,000	<b>Retirement.</b> Actuarially required pension contributions based on employee compensation, net of savings achieved by pre-paying a portion of the subsequent fiscal year’s contribution to the Orange County Employees Retirement System (OCERS), decreased by \$11.3 million. That decrease is due in part to a decrease in the required employer retirement rates with OCERS for Fiscal Year 2022/23. The decrease to normal retirement costs was offset by increases for \$1.8 million in one-time rate saving payments made in accordance with OCFA’s “Snowball Plan” and \$165,000 in employer interest paid for employee reciprocity calculations.																		
-\$8,550,000	<b>Employer Retiree Medical Contributions.</b> OCFA contributed over \$24.7 million to the Retiree Medical Trust in Fiscal Year 2022/23, as compared to over \$16.2 million in contributions made in the prior fiscal year. With OCFA’s pension plan at OCERS achieving 85% funding, “Snowball Plan” contributions are being redirected to the Retiree Medical Plan in accordance with the 4th Amendment to the Joint Powers Authority Agreement. In addition, OCFA receives any excess funds from a medical trust managed by Orange County Professional Firefighters Associations IAFF Local 3631 and, in turn, contributes those funds to the Retiree Medical Trust per terms of the Health Plan Agreement.																		
-\$3,525,000	<b>Regular Pay.</b> Regular pay and related costs such as Medicare taxes increased by over \$3.5 million in Fiscal Year 2022/23. Scheduled pay increases went into effect per negotiated labor contracts, including the firefighter unit (4.0% effective March 2023) and general and supervisory units (4.5% effective May 2023).																		
+\$3,045,000	<b>Overtime.</b> Overtime costs decreased by over \$3 million, including overtime for emergencies and backfill for suppression personnel utilizing leave balances or on workers’ compensation. There were fewer in-county and out-of-county emergency events generating overtime in Fiscal Year 2022/23.																		
-\$900,000	<b>Health Insurance.</b> Employee health insurance and other benefits increased primarily due to firefighter health insurance premiums. OCFA contributes toward the cost of firefighter health insurance premiums at a contractual rate per month, per employee. The monthly rate was \$2,199 per month for both the current and prior fiscal years; however, more firefighter personnel had healthcare coverage for all twelve months during Fiscal Year 2022/23. This generally occurs when the number of new firefighters hired outpaces retirements. In addition, twenty new positions created for a state-funded hand crew were filled during Fiscal Year 2022/23.																		
-\$755,000	<p><b>Other Pay.</b> Other pay – which includes pay to employees on workers’ compensation, educational incentives, paramedic/EMT bonuses, bilingual pay, longevity pay, and other specialty pay – increased or decreased as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">➤ Emergency medical technician (EMT) pay</td> <td style="text-align: right;">+\$620,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Paramedic specialty pay</td> <td style="text-align: right;">+\$155,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Longevity incentive pay (new)</td> <td style="text-align: right;">+\$155,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Special assignment pay for other safety specialties</td> <td style="text-align: right;">+\$350,000</td> </tr> <tr> <td style="padding-left: 40px;">Subtotal – increase in specialty pay for safety employees</td> <td style="text-align: right; border-top: 1px solid black;">+\$1,280,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Workers’ compensation pay</td> <td style="text-align: right;">-\$725,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Education incentive pay (safety and non-safety)</td> <td style="text-align: right;">+\$235,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Other miscellaneous taxable and nontaxable pay</td> <td style="text-align: right;">-\$35,000</td> </tr> <tr> <td style="padding-left: 40px;">Total – net increase in expenditures</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">+\$755,000</td> </tr> </table> <p>Specialty pay for safety employees was the most significant contributor to the increase in other pay. Memorandums of Understanding (MOU) between OCFA and its safety labor groups (Orange County Professional Firefighters Association and Orange County Fire Authority Chief Officers Association) include certain specialty pay provisions, which are typically calculated as a percentage of regular pay. A 4.0% regular pay increase for the firefighter unit that went into effect March 2023 generated increases in most related specialty pays such as EMT pay, paramedic specialty pay, special assignment pay, and education incentive pay. In addition, two specialty pay items for chief officers increased or went into effect for the first time during Fiscal Year 2022/23. EMT pay for chief officers with a current EMT or paramedic certification increased by 0.25% (from 6.25% to 6.5%). A new 3.0% longevity incentive pay also went into effect for all chief officers at the commencement of their third year in a bargaining unit position.</p>	➤ Emergency medical technician (EMT) pay	+\$620,000	➤ Paramedic specialty pay	+\$155,000	➤ Longevity incentive pay (new)	+\$155,000	➤ Special assignment pay for other safety specialties	+\$350,000	Subtotal – increase in specialty pay for safety employees	+\$1,280,000	➤ Workers’ compensation pay	-\$725,000	➤ Education incentive pay (safety and non-safety)	+\$235,000	➤ Other miscellaneous taxable and nontaxable pay	-\$35,000	Total – net increase in expenditures	+\$755,000
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Total – net increase in expenditures	+\$755,000																		
+\$545,000	<b>Vacation and Sick Leave Payouts.</b> Vacation and sick leave payouts decreased primarily due to the retirement of three long-term employees with significant balances during Fiscal Year 2021/22.																		
<b>-\$790,000</b>	<b>Subtotal – Impact of Salaries and Benefits</b>																		

(Continued)

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Impact on Fund Balance (Rounded)	Description																												
-\$6,630,000	<b>Fire Integrated Real-Time Intelligence System Program (FIRIS).</b> FIRIS is a state-funded program providing enhanced, state-wide wildfire and all-hazard situational awareness for first responders. Program services and supplies (excluding salaries and benefits) increased from \$9.1 million in Fiscal Year 2021/22 to \$15.7 million in Fiscal Year 2022/23. Rising program costs included increases to lease fixed wing aircraft and for air tactical ground support.																												
-\$6,210,000	<b>Quick Reaction Force (QRF) Program.</b> OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund the QRF air operations program designed to enhance OCFA's regional aerial wildland fire response and benefit the residents and businesses within SCE's service territory. Services and supplies expenditures for the program's fixed costs (excluding flight time) are higher in Fiscal Year 2022/23 because the program operated for entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year.																												
+\$1,540,000	<b>VHF Radios.</b> During Fiscal Year 2021/22, OCFA purchased 1,200 portable VHF radios and related accessories such as microphones, belt clips, antennas, and ports at a cost of \$1,540,000.																												
-\$1,375,000	<b>Workers' Compensation Payments.</b> OCFA's self-insurance program covers workers' compensation claims up to \$50 million, subject to a \$2 million retention per incident. Claims paid were higher during Fiscal Year 2022/23 as compared to the prior fiscal year. Amounts paid vary each year.																												
-\$715,000	<b>Insurance Premiums.</b> Insurance costs increased during Fiscal Year 2022/23, due primarily to rising premiums for general liability (+\$540,000) and excess workers' compensation (+\$175,000) coverage. The general liability premium increase was due to the Fire Agencies Insurance Risk Authority (FAIRA) pool experiencing above-average losses in employment liability claims; the general hardening of the current insurance market; the COVID-19 pandemic; and the increase in the number of OCFA vehicles, fire stations, and employees. The workers' compensation premium increase was due to several factors, including a serious OCFA burn over incident in 2020; the COVID-19 pandemic and general market impact; fewer carriers willing to offer insurance to the public safety sector; and the provider creating a new public safety rating group with increased rates that are being phased in over a three-year period.																												
-\$7,360,000	<p><b>Other Services and Supplies.</b> Other services and supply costs experienced a net increase in Fiscal Year 2022/23 as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">➤ RFOTC uninterruptible power system replacement project</td> <td style="text-align: right;">+\$670,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Use of CALFIRE contract augmentation funding, including QRF flight time</td> <td style="text-align: right;">+\$630,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Purchase of new portable 800 MHz radios</td> <td style="text-align: right;">+\$620,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ All RFOTC and fire station utilities (electricity, gas, water, and trash)</td> <td style="text-align: right;">+\$580,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Multi-year fire station first-in alerting system replacement project</td> <td style="text-align: right;">+\$545,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Vehicle repairs and automotive stock</td> <td style="text-align: right;">+\$545,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Out-of-county employee travel for training and meetings</td> <td style="text-align: right;">+\$395,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ County-wide 800 MHz radio backbone maintenance</td> <td style="text-align: right;">+\$365,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Fire station bathroom remodel and gender compliance projects</td> <td style="text-align: right;">+\$265,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Fire station remodeling projects</td> <td style="text-align: right;">+\$205,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Diesel fuel, regular fuel, and employee mileage reimbursements</td> <td style="text-align: right;">+\$195,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Helicopter jet fuel</td> <td style="text-align: right;">+\$100,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Other services and supplies, net (combined)</td> <td style="text-align: right;">+\$2,245,000</td> </tr> <tr> <td style="padding-left: 40px;">Total – net increase in other services and supplies expenditures</td> <td style="text-align: right; border-top: 1px solid black;">+\$7,360,000</td> </tr> </table>	➤ RFOTC uninterruptible power system replacement project	+\$670,000	➤ Use of CALFIRE contract augmentation funding, including QRF flight time	+\$630,000	➤ Purchase of new portable 800 MHz radios	+\$620,000	➤ All RFOTC and fire station utilities (electricity, gas, water, and trash)	+\$580,000	➤ Multi-year fire station first-in alerting system replacement project	+\$545,000	➤ Vehicle repairs and automotive stock	+\$545,000	➤ Out-of-county employee travel for training and meetings	+\$395,000	➤ County-wide 800 MHz radio backbone maintenance	+\$365,000	➤ Fire station bathroom remodel and gender compliance projects	+\$265,000	➤ Fire station remodeling projects	+\$205,000	➤ Diesel fuel, regular fuel, and employee mileage reimbursements	+\$195,000	➤ Helicopter jet fuel	+\$100,000	➤ Other services and supplies, net (combined)	+\$2,245,000	Total – net increase in other services and supplies expenditures	+\$7,360,000
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<b>-\$20,750,000</b>	<b>Subtotal – Impact of Services and Supplies</b>																												

(Continued)

(Continued)

Impact on Fund Balance (Rounded)	Description
-\$18,700,000	<b>Capital Outlay – Right-to-Use Lease Assets.</b> During Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. for use of three aircraft in the QRF program. Because the lease is long-term in nature, capital outlay expenditures totaling over \$18.7 million are recognized for the right-to-use lease aircraft acquired under the provisions of GASB Statement No. 87. The capital outlay expended is offset by an equal amount of lease proceeds received.
-\$345,000	<b>Capital Outlay – Other Assets.</b> Capital outlay varies each year based on organizational needs for new and replacement equipment and vehicles. The most significant purchases in Fiscal Year 2022/23 included two box trucks and one caterpillar track loader funded via a federal grant and other state funding sources. The most significant purchase in Fiscal year 2021/22 was for four portable restroom and shower trailers.
<b>-\$19,045,000</b>	<b>Subtotal – Impact of Capital Outlay</b>
<b>-\$40,585,000</b>	<b>Subtotal – Impact of Expenditures</b>
+\$18,700,000	<b>Proceeds from Issuance of Lease.</b> During Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. for use of three aircraft in the QRF program. Because the lease is long-term in nature, the present value of all future lease payments is reported in the General Fund as proceeds from the issuance of lease-related debt under the provisions of GASB Statement No. 87. The lease proceeds received are offset by an equal amount of capital outlay expended for the right-to-use lease aircraft.
-\$5,695,000	<b>Interfund Transfers.</b> Transfers made from the General Fund to the capital projects funds for projects in the Capital Improvement Program increased by \$4,430,000 in Fiscal Year 2022/23. In addition, transfers into the General Fund to fund the 10% Operating Contingency decreased by \$1,265,000 in Fiscal Year 2022/23.
-\$1,400,000	<b>Insurance Recoveries.</b> Insurance recoveries were higher in Fiscal Year 2021/22 due primarily to amounts received from OCFA’s excess workers’ compensation policy for a case relating to the October 2020 Silverado Fire.
-\$30,000	<b>Proceeds from Sale of Capital Assets.</b> There was a decrease in proceeds from sale of capital assets, with nine capital assets sold in Fiscal Year 2021/22 as compared to only three capital assets in Fiscal Year 2022/23. Various vehicles and two pairs of night vision goggles were sold in the prior fiscal year.
<b>+\$11,575,000</b>	<b>Subtotal – Impact of Other Financing Sources and Uses</b>
<b>+\$20,550,000</b>	<b>General Fund – Net Impact on Fund Balance</b>



The **Communications and Information Systems Fund** had total fund balance of \$6,037,384 at the end of Fiscal Year 2022/23. Fund balance was assigned to the Capital Improvement Program (\$5,597,631) and communications and information technologies projects (\$422,872). The remaining \$16,881 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$404,045 during the current fiscal year. The prior fiscal year’s fund balance increased by \$409,604, a difference of \$5,559. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
-\$300,000	<b>Interfund Transfers.</b> Transfers in from the General Fund for projects in the Capital Improvement Program totaled \$1.7 million during Fiscal Year 2021/22, as compared to \$4.5 million during Fiscal Year 2022/23. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$3,100,000 during Fiscal Year 2022/23. No transfers out from this fund were made in the prior fiscal year.
+\$295,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$295,000.
<b>-\$5,000</b>	<b>Communications and Information Systems Fund – Net Impact on Fund Balance</b>



The **Fire Apparatus Fund** had total fund balance of \$37,730,153 at the end of Fiscal Year 2022/23. Amounts pertaining to debt proceeds received for acquisition of two helicopters (\$12,530,156) were classified as restricted. Fund balance was assigned to the Capital Improvement Program (\$5,012,707) and purchase of fire apparatus and vehicles (\$20,178,582). The remaining \$8,708 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$21,160,193 during the current fiscal year. The prior fiscal year’s fund balance decreased by \$9,461,952, a difference of \$30,622,145. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description																					
+\$11,890,000	<p><b>Issuance of Debt and Acquisition of New Helicopters.</b> During Fiscal Year 2022/23, OCFA issued debt in order to fund the acquisition of two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training. The helicopters were in the process of being constructed as of June 30, 2023. Financial activities reported in the Fire Apparatus Fund pertaining to the debt issuance and related costs included the following:</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Other Financing Sources (Rounded)</th> <th style="text-align: right;">Expenditures (Rounded)</th> </tr> </thead> <tbody> <tr> <td>➤ Proceeds from issuance of debt</td> <td style="text-align: right;">\$57,880,000</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>➤ Capital outlay for helicopters (debt-funded)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">45,535,000</td> </tr> <tr> <td>➤ Capital outlay for helicopters – cockpit radios, rescue hoist cameras, and SkyCam module (not debt-funded)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">310,000</td> </tr> <tr> <td>➤ Mechanic training costs (services and supplies)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>➤ Debt service issuance costs</td> <td style="text-align: right;">-</td> <td style="text-align: right;">45,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$57,880,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$45,990,000</td> </tr> </tbody> </table>		Other Financing Sources (Rounded)	Expenditures (Rounded)	➤ Proceeds from issuance of debt	\$57,880,000	\$ -	➤ Capital outlay for helicopters (debt-funded)	-	45,535,000	➤ Capital outlay for helicopters – cockpit radios, rescue hoist cameras, and SkyCam module (not debt-funded)	-	310,000	➤ Mechanic training costs (services and supplies)	-	100,000	➤ Debt service issuance costs	-	45,000	Total	\$57,880,000	\$45,990,000
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+\$9,445,000	<p><b>Interfund Transfers.</b> Transfers in from the General Fund for projects in the Capital Improvement Program increased by \$6,080,000 as compared to the amount transferred in during the prior fiscal year. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$3,365,000 during Fiscal Year 2021/22. No transfers out from this fund were made in the current fiscal year.</p>																					
+\$7,020,000	<p><b>Apparatus and Vehicles.</b> Expenditures to purchase and outfit vehicles vary each year based on organizational needs for new and replacement vehicles. Expenditures were higher in the prior fiscal year primarily due to the purchase of thirteen type one engines, as compared to the purchase and outfitting of 44 pickup trucks in the current fiscal year.</p>																					
+\$1,340,000	<p><b>Use of Money and Property.</b> The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$1,015,000. In addition, interest earned on unspent debt proceeds totaled \$325,000 during Fiscal Year 2022/23.</p>																					
+\$830,000	<p><b>Developer Contributions.</b> During Fiscal Year 2022/23, OCFA received a developer fee reimbursement relating to a new type 1 engine assigned to Fire Station No. 67 (Rancho Mission Viejo).</p>																					
+\$95,000	<p><b>Charges for Services.</b> Cash contract city vehicle charges increased in accordance with the terms of the Joint Powers Agreement. The annual charge is based on several factors, including the price of recent vehicle purchases and inflation, both of which increased.</p>																					
<b>+\$30,620,000</b>	<p><b>Fire Apparatus Fund – Net Impact on Fund Balance</b></p>																					



The **Fire Stations and Facilities Fund** had total fund balance of \$37,126,620 at the end of Fiscal Year 2022/23. Amounts pertaining to state revenues received for future fire station construction (\$17,641,560) were classified as restricted. Other amounts were assigned to the Capital Improvement Program (\$5,106,148) and construction projects (\$14,378,912). Total fund balance increased by \$15,818,164 during the current fiscal year. The prior fiscal year’s fund balance increased by \$2,819,974, a difference of \$12,998,190. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$16,995,000	<b>Intergovernmental.</b> The increase in intergovernmental revenue related to annual contract revenues funds for the protection of the State Responsibility Area. In addition, OCFA received \$16,950,000 in state funding for the construction of a new hand crew fire station.
-\$3,450,000	<b>Interfund Transfers.</b> Transfers in from the General Fund for projects in the Capital Improvement Program totaled \$4,450,000 million during Fiscal Year 2021/22. No transfers in were received by this fund in the current fiscal year. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$1,000,000 during Fiscal Year 2021/22. No transfers out from this fund were made in the current fiscal year.
-\$1,365,000	<p><b>Capital Projects.</b> Expenditures increased by \$1,365,000 due to multi-year capital improvement projects, which included the following most significant projects:</p> <ul style="list-style-type: none"> <li>➤ <b>Fire Station No. Station 24 (Mission Viejo) Replacement.</b> Expenditures for the replacement of Fire Station No. Station 24 (Mission Viejo) increased by \$1,485,000. During Fiscal Year 2022/23, costs were incurred for pre-construction and design fees, construction administration, a temporary fire station modular, and a temporary garage. This project is expected to continue through Fiscal Year 2023/24.</li> <li>➤ <b>Fire Station No. 49 (Laguna Niguel).</b> During Fiscal Year 2019/20, OCFA began a project to repair and reconstruct the apparatus bay floor at Fire Station No. 49 (Laguna Niguel), which was cracking and deteriorating due to possible settling of the ground. Non-capitalized project costs include geotechnical and structural engineering services, remediation, equipment rental, and concrete inspection tests, with most work completed during Fiscal Year 2021/22 (-\$590,000). Final inspection for the project was approved by the city in July 2022.</li> <li>➤ <b>Infrastructure Security Enhancement Project.</b> This project is part of a larger security upgrade effort for the Regional Fire Operations Training Center (RFOTC) and other facilities, including separation and security in the board room. During Fiscal Year 2021/22, costs totaling \$35,000 were incurred for system design and engineering. During Fiscal Year 2022/23, costs totaling \$430,000 were incurred for additional system design and engineering; upgrades to gates, locks, and cameras; and a security camera system for the Urban Search &amp; Rescue warehouse.</li> </ul>
+\$1,000,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$1 million.
-\$180,000	<b>Developer Contributions.</b> Contributions generated by Secured Fire Protection Agreements with developers vary each fiscal year based on housing development projects being completed throughout the county. Decreases in developer activity primarily related to projects in the cities of Cypress and Irvine that were completed in Fiscal Year 2021/22.
+\$13,000,000	<b>Fire Stations and Facilities Fund – Net Impact on Fund Balance</b>

**General Fund Budgetary Highlights**

The following table summarizes the changes in General Fund appropriations, as well as the variance between the final budget and actual amounts for Fiscal Year 2022/23.

	Original Budget	Increase (Decrease)	Final Budget	Variance Positive (Negative)	Actual Amounts
Salaries and benefits	\$395,372,500	\$ 25,206,939	\$420,579,439	\$ 401,196	\$420,178,243
Services and supplies	69,239,645	72,585,334	141,824,979	41,223,019	100,601,960
Capital outlay	1,485,886	4,609,893	6,095,779	(14,310,221)	20,406,000
Transfers out	13,942,226	-	13,942,226	-	13,942,226
	<u>\$480,040,257</u>	<u>\$102,402,166</u>	<u>\$582,442,423</u>	<u>\$27,313,994</u>	<u>\$555,128,429</u>

**Adjustments to Appropriations:** Budgeted General Fund appropriations increased by \$102,402,166 from the time the original budget was adopted until the end of the fiscal year. Adjustments typically pertained to activities that occurred throughout the year but were either unknown or for which reliable estimates could not be determined at the time of the original budget adoption. Significant adjustments are listed below:

Reason for Adjustment to Original Budget	Increase (Decrease) (Rounded)
Quick Reaction Force (QRF) program	\$ 25,350,000
Fire Integrated Real-Time Intelligence System (FIRIS) program	25,110,000
Overtime and backfill for response to out-of-county and other incidents	10,520,000
Grant activities	9,420,000
Employer contributions toward unfunded retiree medical liability	7,000,000
Staffing changes, reconfigurations, and service enhancements	4,800,000
Structural Fire Entitlement projects	4,300,000
Various Capital Improvement Program projects	4,020,000
Various equipment and vehicles	3,780,000
Employee Memorandum of Understanding changes	3,360,000
Various professional services	1,070,000
Various information technology projects and maintenance	470,000
COVID-19 pandemic services and supplies	340,000
Insurance	250,000
Helicopter program	(200,000)
Fuel	(140,000)
Equipment maintenance	40,000
Various other appropriations	2,910,000
<b>Total adjustments</b>	<b>\$102,400,000</b>

**Variance Between Final Budget and Actual Amounts:** Final, budgeted General Fund expenditures exceeded actual amounts, resulting in a positive budget variance totaling \$27,313,994. Over \$41.2 million of this positive variance related to operating costs, projects, and other purchases for services and supplies that were budgeted but not completed during Fiscal Year 2022/23. This is offset by a \$14.3 million negative variance for capital outlay expenditures that exceeded budgeted amounts during Fiscal Year 2022/23.

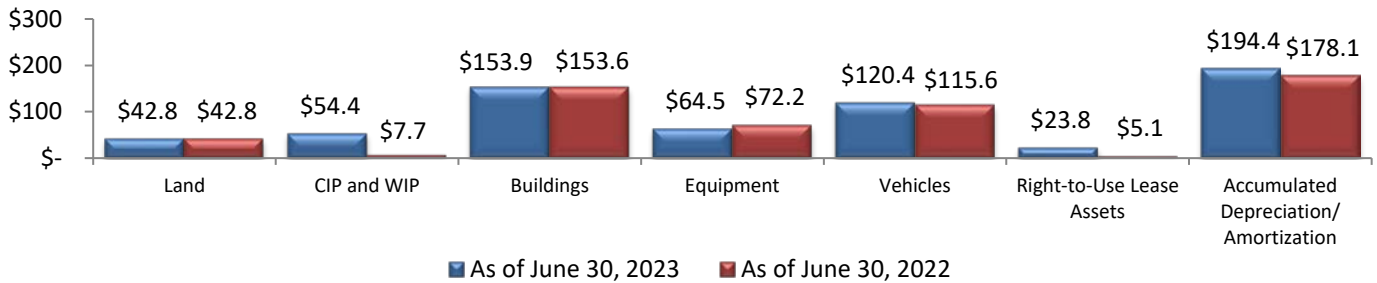
In some cases, uncompleted projects were delayed due to project complexity or time requirements and will be re-budgeted, if needed, to Fiscal Year 2023/24. Individually significant variances are summarized below:

Description of Budget/Actual Variance	Variance Positive (Negative)	
	Services and Supplies (Rounded)	Capital Outlay (Rounded)
<b>Quick Reaction Force (QRF) Program.</b> During Fiscal Year 2022/23, a \$25.2 million budget was adopted for the 555-day QRF program. Services and supplies expenditures totaling \$16.3 million were incurred through June 30, 2023, leaving a balance of \$8.9 million as of June 30, 2023. It is anticipated that these remaining funds will be used during Fiscal Year 2023/24 through the end of the program's December 31, 2023, operational period. In addition, during Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. Because the lease was long-term in nature, capital outlay expenditures totaling over \$18.7 million were recognized for the right-to-use lease aircraft acquired under the provisions of GASB Statement No. 87. OCFA did not budget for the \$18.7 million capital outlay expenditure.	\$ 8,900,000	\$(18,710,000)
<b>Fire Integrated Real-Time Intelligence System (FIRIS) Program.</b> The FIRIS program commenced August 1, 2021, and was subsequently extended through June 30, 2023. During Fiscal Year 2022/23, OCFA budgeted \$25.1 million for the program. Services and supplies expenditures totaling \$15.7 million were incurred through June 30, 2023, leaving a budget surplus of \$9.4 million.	9,410,000	-
<b>Invasive Tree Pest Mitigation Grant.</b> In October 2018, OCFA was awarded a \$5.4 million state grant passed through CALFIRE for invasive tree pest mitigation. The grant award's performance period is December 2018 through March 2025. A budget balance of over \$3.8 million remains unspent on services and supplies as of June 30, 2023. Contracts have been awarded for \$65,000 of the unspent balance. It is anticipated that the remaining funds will be used during Fiscal Year 2023/24 and through the end of the grant's award period.	3,840,000	-
<b>Structural Fire Fund Projects.</b> The entire balance of funds committed for Structural Fire Fund projects was budgeted during Fiscal Year 2022/23; however, member agencies submitted reimbursement requests only for those projects completed.	3,430,000	-
<b>Workers' Compensation Claims Paid.</b> The amount budgeted for workers' compensation is based on an actuarially-determined estimate. Actual case activity typically occurs over multiple years, which attributes to a difference between budgeted costs and actual expenditures during any given fiscal year. During Fiscal Year 2022/23, claims paid from the General Fund were less than the actuarial estimate, creating a positive budget variance.	2,080,000	-
<b>Bathroom Gender Accommodation Project.</b> During Fiscal Year 2019/20, OCFA began a multi-year bathroom gender accommodation project at various fire stations. Of the \$3.7 million budgeted in Fiscal Year 2022/23, a balance of \$1.8 million remains unspent as of June 30, 2023. Contracts have been awarded for \$69,000 of the unspent balance. The project is ongoing and it is anticipated that the remaining funds will be used during Fiscal Year 2023/24.	1,760,000	-
<b>Phone/Public Address System Upgrade.</b> OCFA is replacing its telephone system with a new Voice over Internet Protocol (VoIP) system. The multi-year project began in late Fiscal Year 2022/23. Capital outlay expenditures totaled \$13,000 for a phone system at Fire Station No. 67 (Rancho Mission Viejo). Nearly the entire \$1.7 million budgeted amount in Fiscal Year 2022/23 remained unspent as of June 30, 2023. It is anticipated that remaining funds will be used as the project continues during Fiscal Year 2023/24.	-	1,680,000
<b>Irvine Settlement Agreement.</b> OCFA and the City of Irvine entered into a Settlement Agreement with provisions that enhance services throughout OCFA's jurisdiction. All projects identified in the agreement were budgeted during Fiscal Year 2022/23 at the maximum potential amount per the agreement. However, the city did not submit any reimbursement requests for the Joint Police-Fire Training Facility or bi-directional amplifiers.	1,540,000	-
<b>800 MHz Radios.</b> During FY 2022/23, OCFA budgeted \$2.1 million for all-band mobile and portable radios, including 800 MHz and VHF frequencies to be installed in new OCFA apparatus, and for use in training, academies, and supplying equipment caches. OCFA purchased 87 portable 800 MHz radios during Fiscal Year 2022/23 at a cost of \$600,000, leaving a budgeted balance of \$1.5 million unspent as of June 30, 2023. Contracts have been awarded for \$1 million of the unspent balance.	1,510,000	-
Other variances combined	8,750,000	2,720,000
<b>Total</b>	<b>\$41,220,000</b>	<b>\$(14,310,000)</b>

**Capital Assets and Debt Administration**

**Capital Assets:** OCFA’s net investment in capital assets for its government activities at the end of Fiscal Year 2022/23 totaled \$209,059,816 (net of accumulated depreciation, amortization, and related outstanding debt). Capital assets, net of accumulated depreciation, increased from the prior fiscal year by \$46,352,345 (21.2%). Following is a summary of capital assets by type for the current and prior fiscal years.

**Capital Assets and Accumulated Depreciation/Amortization  
As of June 30, 2023 and 2022  
(In Millions)**



**Construction in Progress (CIP) and Work in Progress (WIP):** Construction projects completed over the span of multiple fiscal years are classified as CIP at year-end if they are not yet completed and placed into service. Fire engines, trucks, and other vehicles are classified as WIP at year-end if they are in the process of being outfitted for operation and will be completed over the span of multiple fiscal years. WIP also includes multi-year communications and information systems projects.

- CIP additions totaling \$1.6 million primarily related to the design and construction of new Fire Station No. 24 (Mission Viejo). Other significant CIP projects included the expansion of the RFOTC training ground and “North 40” area and audio-visual upgrades at the Urban Search & Rescue warehouse. The audio-visual upgrade project was placed into service during Fiscal Year 2022/23, while all other CIP projects remained in progress at fiscal year-end.
- WIP additions totaling \$49.7 million during Fiscal Year 2022/23 primarily related to the construction of two new Sikorsky Firehawk helicopters, which were approximately 80% complete as of June 30, 2023. Other significant WIP projects included an incident reporting system, the CAD2CAD next generation software system, EMS data analytics software, an apparatus bay addition at Fire Station No. 18 (Trabuco Canyon), a wildfire detection and monitoring system, a disaster recovery co-location project, and various fire apparatus, trailers, and pickup trucks in the process of being outfitted for operation. As of June 30, 2023, fifteen individual WIP projects were placed into service and fifty-four were still in progress.

**Equipment:** Equipment additions totaled \$1.8 million for 126 items placed into service during Fiscal Year 2022/23. The most individually significant additions included 70 mobile data computers (\$455,000); nine trailers (\$390,000); and the CAD2CAD next generation software system (\$345,000). Equipment deletions totaled \$9.5 million and included two Bell Super Huey helicopters and related improvements that were donated to the Kern County Fire Department (\$7.8 million).

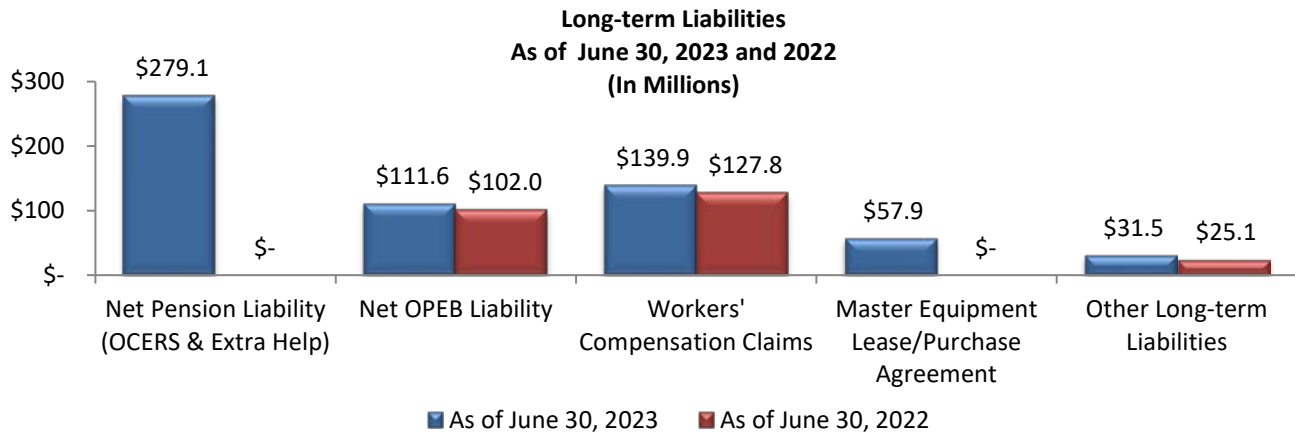
**Vehicles:** Vehicle additions totaled \$5.0 million for 13 items placed into service during Fiscal Year 2022/23. The most individually significant additions included five type one engines (\$3.5 million); one hazardous materials support vehicle (\$450,000); and two box trucks (\$430,000). One foam tender was removed from OCFA’s fleet during Fiscal Year 2022/23 and donated to CALFIRE.

**Right-to-Use Lease Assets:** Right-to-Use Lease equipment additions totaling \$18.7 million pertained to a long-term lease agreement with Coulson Aviation (USA) Inc. for the right to use various aircraft in the Quick Reaction Force Program.

Additional information pertaining to OCFA’s capital assets can be found in Note 9 of the accompanying Notes to the Financial Statements.



**Long-term Debt:** Total long-term liabilities increased by net \$364,912,531 (143.1%) during Fiscal Year 2022/23.



The most significant change to long-term liabilities pertained to the net pension liability for the Orange County Employees Retirement System (OCERS) pension plan. As of June 30, 2022, OCFA’s share of the plan’s net pension liability at OCERS, as determined by an actuarial valuation for the plan as a whole, was reported as an *asset* in the amount of \$104,907,413. As of June 30, 2023, OCFA’s share of the OCERS net pension liability was reported as a *liability* in the amount of \$279,060,590, which was a net \$384.0 million increase from the prior fiscal year.

The increases and decreases reported for the long-term pension liability are reported using an “accounting-based approach” to fully capture OCFA’s net liability and related pension expense incurred during each fiscal year. This differs from the “funding-based approach” used to calculate annual retirement rates and the amount of required employer and employee contributions due from OCFA to OCERS. The net pension liability (asset) represents the amount of the total pension liability greater than (less than) the market value of assets as of June 30. The following table summarizes the changes in the components of the OCERS net pension liability from June 30, 2023 to June 30, 2022.

Component of OCERS	As of June 30, 2023	As of June 30, 2022	Increase (Decrease)	
Net Pension Liability (Asset)			Amount	%
<b>Safety:</b>				
Total pension liability	\$2,203,048,540	\$2,059,654,727	\$ 143,393,813	7.0%
Market value of assets	<u>1,961,543,596</u>	<u>2,151,633,812</u>	<u>(190,090,216)</u>	-8.8%
Net pension liability - safety	\$ 241,504,944	n/a	\$ 241,504,944	n/a
Net pension (asset) - safety	n/a	\$ (91,979,085)	\$ (91,979,085)	-100.0%
<b>General:</b>				
Total pension liability	\$ 315,901,347	\$ 296,685,689	\$ 19,215,658	6.5%
Market value of assets	<u>278,345,701</u>	<u>309,614,017</u>	<u>(31,268,316)</u>	-10.1%
Net pension liability - general	\$ 37,555,646	n/a	\$ 37,555,646	n/a
Net pension (asset) - general	n/a	\$ (12,928,328)	\$ (12,928,328)	-100.0%
<b>Total:</b>				
Total pension liability	\$ 2,518,949,887	\$ 2,356,340,416	\$ 162,609,471	6.9%
Market value of assets	<u>2,239,889,297</u>	<u>2,461,247,829</u>	<u>(221,358,532)</u>	-9.0%
Net pension liability - total	\$ 279,060,590	n/a	\$ 279,060,590	n/a
Net pension (asset) - total	n/a	\$(104,907,413)	\$(104,907,413)	-100.0%

Additional information on the OCFA’s long-term liabilities can be found in Note 18 of the accompanying Notes to the Financial Statements.

**Next Year's Budget**

The Fiscal Year 2023/24 General Operating Fund adopted expenditure budget is \$473.3 million, which is a net increase of \$24.9 million (5.5%) over the adopted Fiscal Year 2022/23 General Operating Fund expenditure budget totaling \$448.4 million. Highlights of the Fiscal Year 2023/24 General Operating Fund Budget are as follow:

- Budgeted salaries increased by \$18.9 million. The budget includes funding for seven new positions and reflects annual salary increases in accordance with the approved Memorandum of Understanding (MOU) with the Orange County Professional Firefighters Association (OCPFA). No MOU salary increases were scheduled or included for the Orange County Fire Authority Managers Association (OCFAMA), the Orange County Employees Association (OCEA), or the Chief Officers Association (COA), pending ongoing negotiations at the time of the budget's adoption. The budget also reflects increases for overtime usage, which has been trending higher in recent years, and decreases for salary savings in the firefighter rank due to projected vacancies.
- Budgeted retirement and other benefits decreased by \$1.0 million. The retirement budget for Fiscal Year 2023/24 is based on rates provided by the Orange County Employees Retirement System (OCERS), which were approximately 4.12% and 1.81% lower for safety and general personnel, respectively, as compared to the prior fiscal year.
- Budgeted services and supplies and capital outlay increased by \$7.0 million. Overall, budgets are held flat as compared to the prior fiscal year, unless a new fire station is built or specific increases have been identified by OCFA management on a case-by-case basis.

**Requests for Information**

This financial report is designed to provide a general overview of OCFA's and the OCFA Foundation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Division Manager, Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

**Orange County Fire Authority**



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# Government-wide Financial Statements



Fire Station 67 Ribbon Cutting  
December 8, 2022



**ORANGE COUNTY FIRE AUTHORITY**  
**Statement of Net Position**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2023	2022	2023	2022
<b>Assets:</b>				
Cash and investments (Note 4)	\$ 251,752,836	\$ 195,486,189	\$ 328,218	\$ 356,106
Accounts receivable, net (Note 5)	2,539,433	2,554,706	-	-
Accrued interest receivable	565,817	224,398	-	-
Prepaid costs and other assets (Note 6)	18,521,015	20,095,181	-	-
Due from other governments (Note 7)	37,081,429	31,902,420	-	-
Restricted cash and investments (Note 4)	19,896,244	5,221,012	-	-
Lease receivables (Note 8)	895,177	838,177	-	-
Proportionate share net pension asset	-	104,907,413	-	-
Capital assets (Note 9):				
Land	42,757,850	42,757,850	-	-
Construction in progress	2,277,371	977,546	-	-
Work in progress	52,080,439	6,766,409	-	-
Capital assets, net of accumulated depreciation/amortization	<u>168,214,127</u>	<u>168,475,637</u>	<u>11,118</u>	<u>11,917</u>
Total assets	<u>596,581,738</u>	<u>580,206,938</u>	<u>339,336</u>	<u>368,023</u>
Deferred outflows of resources:				
Related to pensions/OPEB (Note 23)	<u>268,112,178</u>	<u>131,162,798</u>	-	-
Total deferred outflows of resources	<u>268,112,178</u>	<u>131,162,798</u>	-	-
<b>Liabilities:</b>				
Accounts payable	9,089,074	11,819,377	21,542	23,219
Accrued liabilities	15,382,108	14,236,694	-	-
Accrued interest payable	1,191,326	-	-	-
Unearned revenue (Note 10)	9,378,655	17,414	14,850	1,350
Due to other governments (Note 11)	5,029	10,084	-	-
Long-term debt obligations due within one year (Note 18)	2,770,492	-	-	-
Compensated absences due within one year (Note 18)	4,730,160	4,713,845	-	-
Claims and judgments due within one year (Note 18)	16,558,042	15,249,792	-	-
Lease liabilities due within one year (Note 18)	5,886,589	21,827	-	-
Noncurrent liabilities due in more than one year:				
Long-term debt obligations due in more than one year (Note 18)	55,111,628	-	-	-
Compensated absences due in more than one year (Note 18)	16,019,187	15,527,755	-	-
Claims and judgments due in more than one year (Note 18)	123,349,172	112,583,568	-	-
Lease liabilities due in more than one year (Note 18)	4,847,718	4,872,824	-	-
Net OPEB liability (Notes 18)	111,599,764	102,002,299	-	-
Net pension liability (Notes 18)	<u>279,061,265</u>	<u>49,576</u>	-	-
Total liabilities	<u>654,980,209</u>	<u>281,105,055</u>	<u>36,392</u>	<u>24,569</u>
Deferred inflows of resources:				
Related to leases (Note 8)	839,179	800,802	-	-
Related to pensions/OPEB (Note 23)	<u>146,477,623</u>	<u>476,270,304</u>	-	-
Total deferred inflows of resources	<u>147,316,802</u>	<u>477,071,106</u>	-	-
<b>Net position:</b>				
Net investment in capital assets (Note 9b)	209,059,816	214,082,791	11,118	11,917
Restricted for capital projects	30,194,753	634,157	-	-
Restricted for augmentation and upstaffing activities	1,581,979	1,683,073	-	-
Restricted for greenhouse gas reduction activities	3,123,572	2,557,259	-	-
Restricted for Section 115 pension trust	7,316,140	5,224,229	-	-
Restricted for grants, donations, and other programs	-	-	92,629	83,077
Unrestricted	<u>(188,879,355)</u>	<u>(270,987,934)</u>	<u>199,197</u>	<u>248,460</u>
Total net position	<u>\$ 62,396,905</u>	<u>\$ (46,806,425)</u>	<u>\$ 302,944</u>	<u>\$ 343,454</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Statement of Activities**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2023	2022	2023	2022
Expenses:				
Public safety:				
Salaries and benefits	\$ 346,185,496	\$ 249,802,878	\$ -	\$ -
Services and supplies	101,221,979	93,296,815	229,516	122,619
Depreciation and amortization (Note 9c)	25,712,134	13,232,063	799	799
Interest on long-term debt	1,191,326	-	-	-
Total program expenses	474,310,935	356,331,756	230,315	123,418
Program revenues:				
Public safety:				
Charges for services	173,110,122	174,072,175	-	-
Operating grants and contributions	52,867,337	38,289,243	189,805	109,139
Capital grants and contributions	18,386,450	401,221	-	-
Total program revenues	244,363,909	212,762,639	189,805	109,139
Net program (expenses) revenues	(229,947,026)	(143,569,117)	(40,510)	(14,279)
General revenues:				
Property taxes	326,138,528	302,861,759	-	-
Investment income (loss)	5,388,518	(4,799,952)	-	-
Gain on disposal of capital assets	-	17,777	-	-
Miscellaneous	7,623,310	4,020,895	-	-
Total general revenues	339,150,356	302,100,479	-	-
Change in net position	109,203,330	158,531,362	(40,510)	(14,279)
Net position at beginning of year	(46,806,425)	(205,337,787)	343,454	357,733
Net position at end of year	\$ 62,396,905	\$ (46,806,425)	\$ 302,944	\$ 343,454

# Fund Financial Statements



Urban Search & Rescue Canine Training  
February 13, 2023





**ORANGE COUNTY FIRE AUTHORITY**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Capital Projects Funds				Total Governmental Funds	
	General Fund	Communications and Information Systems		Fire Apparatus	Fire Stations and Facilities	
						2023
<b>Assets:</b>						
Cash and investments	\$183,299,640	\$ 6,072,740	\$ 25,341,453	\$ 37,039,003	\$251,752,836	\$195,486,189
Accounts receivable, net (Note 5)	2,382,931	156,502	-	-	2,539,433	2,554,706
Accrued interest receivable	373,017	20,962	85,685	86,153	565,817	224,398
Prepaid costs and other assets (Note 6)	32,572,426	16,881	8,708	-	32,598,015	35,447,181
Due from other governments (Note 7)	36,987,615	-	-	93,814	37,081,429	31,902,420
Restricted cash and investments	7,316,894	-	12,579,350	-	19,896,244	5,221,012
Lease receivables (Note 8)	895,177	-	-	-	895,177	838,177
Total assets	<u>\$263,827,700</u>	<u>\$ 6,267,085</u>	<u>\$ 38,015,196</u>	<u>\$ 37,218,970</u>	<u>\$345,328,951</u>	<u>\$271,674,083</u>
<b>Liabilities:</b>						
Accounts payable	\$ 8,481,980	\$ 229,701	\$ 285,043	\$ 92,350	\$ 9,089,074	\$ 11,819,377
Accrued liabilities	15,382,108	-	-	-	15,382,108	14,236,694
Unearned revenue (Note 10)	9,378,655	-	-	-	9,378,655	17,414
Due to other governments (Note 11)	5,029	-	-	-	5,029	10,084
Total liabilities	<u>33,247,772</u>	<u>229,701</u>	<u>285,043</u>	<u>92,350</u>	<u>33,854,866</u>	<u>26,083,569</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenue (Note 10)	681,733	-	-	-	681,733	795,356
Related to leases (Note 8)	839,179	-	-	-	839,179	800,802
Total deferred inflows of resources	<u>1,520,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520,912</u>	<u>1,596,158</u>
<b>Fund balances:</b>						
Nonspendable prepaid costs (Note 6)	32,542,882	16,881	8,708	-	32,568,471	35,429,872
Restricted (Note 12):						
Capital improvement program	-	-	12,530,156	17,641,560	30,171,716	611,120
Various departments	4,728,588	-	-	-	4,728,588	4,263,369
Section 115 pension trust	7,316,140	-	-	-	7,316,140	5,224,229
Committed to SFF cities (Note 13)	3,519,541	-	-	-	3,519,541	4,301,785
Assigned (Note 14):						
Capital improvement program	6,545,843	5,597,631	5,012,707	5,106,148	22,262,329	30,281,002
Workers' compensation	143,334,044	-	-	-	143,334,044	125,039,963
Various departments	1,849,756	-	-	-	1,849,756	1,354,029
Facilities projects	232,727	-	-	-	232,727	106,235
Communications/IT projects	2,116,855	422,872	-	-	2,539,727	1,583,401
Fire apparatus and vehicles	-	-	20,178,582	-	20,178,582	15,016,508
Construction projects	147,406	-	-	14,378,912	14,526,318	2,025,996
Unassigned (Note 15)	26,725,234	-	-	-	26,725,234	18,756,847
Total fund balances	<u>229,059,016</u>	<u>6,037,384</u>	<u>37,730,153</u>	<u>37,126,620</u>	<u>309,953,173</u>	<u>243,994,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$263,827,700</u>	<u>\$ 6,267,085</u>	<u>\$ 38,015,196</u>	<u>\$ 37,218,970</u>	<u>\$345,328,951</u>	<u>\$271,674,083</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023	2022
Fund balances of governmental funds	\$309,953,173	\$243,994,356
<u>Capital Assets</u>		
The cost of capital assets used in governmental activities are recorded as expenditures in governmental funds when purchased, constructed, or leased. The Statement of Net Position includes those capital assets among the assets of OCFA as a whole, net of accumulated depreciation/amortization.		
Land, construction in progress, work in progress, buildings, equipment, and vehicles:		
Capital assets	435,913,896	391,983,043
Accumulated depreciation/amortization	(181,373,749)	(177,684,903)
Right-to-use lease assets:		
Capital assets	23,816,990	5,105,872
Accumulated amortization	(13,027,350)	(426,570)
<u>Long-term Liabilities and Assets</u>		
Long-term liabilities applicable to governmental activities are not due and payable in the current period and are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. In addition, any long-term assets relating to pension obligations are not reported as governmental fund assets, but are reported in the Statement of Net Position.		
OCERS pension plan:		
Net pension asset	-	104,907,413
Net pension liability	(279,060,590)	-
Pension contributions	(14,077,000)	(15,352,000)
Deferred outflows of resources	228,140,263	105,015,352
Deferred inflows of resources	(51,603,321)	(335,209,026)
Extra Help pension plan:		
Net pension liability	(675)	(49,576)
Deferred outflows of resources	1,051	1,480
Other postemployment benefits (OPEB):		
Net OPEB liability	(111,599,764)	(102,002,299)
Deferred outflows of resources	39,970,864	26,145,966
Deferred inflows of resources	(94,874,302)	(141,061,278)
Capital lease purchase agreements	(57,882,120)	-
Accrued claims and judgments	(139,907,214)	(127,833,360)
Compensated absences	(20,749,347)	(20,241,600)
Lease liabilities	(10,734,307)	(4,894,651)
<u>Accrued Interest</u>		
Accrued interest for the current portion due on long-term liabilities has not been reported in the governmental funds, but has been calculated and reported in the Statement of Net Position.	(1,191,326)	-
<u>Unavailable Revenues</u>		
Unavailable revenues are reported in the governmental funds if not collected or expected to be collected within OCFA's availability period. Amounts relating to unavailable revenues are not reported in the Statement of Net Position since revenue recognition is not based upon measurable and available criteria.		
Due from other governments - Garden Grove start-up costs	681,733	795,356
Net position of governmental activities	\$ 62,396,905	\$ (46,806,425)

**ORANGE COUNTY FIRE AUTHORITY**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Capital Projects Funds				Total Governmental Funds	
	General Fund	Communications and Information		Fire Stations and Facilities	2023	2022
		Systems	Fire Apparatus			
Revenues:						
Taxes	\$326,138,528	\$ -	\$ -	\$ -	\$326,138,528	\$302,861,759
Intergovernmental	59,312,256	-	-	17,170,143	76,482,399	57,726,610
Charges for services	148,770,572	-	1,749,288	-	150,519,860	146,007,793
Use of money and property	3,767,140	174,245	868,386	578,747	5,388,518	(4,799,952)
Miscellaneous	23,670,734	156,502	-	-	23,827,236	11,128,699
Developer contributions	-	-	831,983	219,600	1,051,583	401,221
Total revenues	<u>561,659,230</u>	<u>330,747</u>	<u>3,449,657</u>	<u>17,968,490</u>	<u>583,408,124</u>	<u>513,326,130</u>
Expenditures:						
Current - public safety:						
Salaries and benefits	420,178,243	-	-	-	420,178,243	419,386,430
Services and supplies	100,601,960	406,976	98,429	620,023	101,727,388	80,857,120
Capital outlay	20,406,000	922,123	49,472,289	1,530,303	72,330,715	12,963,172
Debt service:						
Issuance costs	-	-	43,092	-	43,092	-
Total expenditures	<u>541,186,203</u>	<u>1,329,099</u>	<u>49,613,810</u>	<u>2,150,326</u>	<u>594,279,438</u>	<u>513,206,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,473,027</u>	<u>(998,352)</u>	<u>(46,164,153)</u>	<u>15,818,164</u>	<u>(10,871,314)</u>	<u>119,408</u>
Other financing sources (uses):						
Transfers in (Note 17)	3,097,603	4,500,000	9,442,226	-	17,039,829	13,877,532
Transfers out (Note 17)	(13,942,226)	(3,097,603)	-	-	(17,039,829)	(13,877,532)
Issuance of lease (Notes 21 and 22)	18,711,118	-	57,882,120	-	76,593,238	12,690
Sale of capital assets	2,730	-	-	-	2,730	30,679
Insurance recoveries	234,163	-	-	-	234,163	1,632,834
Total other financing sources (uses)	<u>8,103,388</u>	<u>1,402,397</u>	<u>67,324,346</u>	<u>-</u>	<u>76,830,131</u>	<u>1,676,203</u>
Net change in fund balances	28,576,415	404,045	21,160,193	15,818,164	65,958,817	1,795,611
Fund balances, beginning of year	<u>200,482,601</u>	<u>5,633,339</u>	<u>16,569,960</u>	<u>21,308,456</u>	<u>243,994,356</u>	<u>242,198,745</u>
Fund balances, end of year	<u>\$229,059,016</u>	<u>\$ 6,037,384</u>	<u>\$ 37,730,153</u>	<u>\$ 37,126,620</u>	<u>\$309,953,173</u>	<u>\$243,994,356</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023	2022
Net change in fund balances - total governmental funds	\$ 65,958,817	\$ 1,795,611
 <u>Capital Assets</u>		
Governmental funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities.		
Capital outlay	72,330,715	12,963,172
Depreciation/amortization expense	(25,712,134)	(13,232,063)
 Governmental funds report proceeds from disposal of capital assets as other financing sources. In the Statement of Activities, those proceeds are offset by the net book value of the assets, resulting in a gain or loss on the disposal.		
Proceeds from disposal of capital assets	(17,129)	(30,679)
Gain (loss) on disposal of capital assets	(249,107)	17,777
 <u>Long-term Liabilities</u>		
Proceeds from issuing long-term debt or entering into new lease agreements are recorded as other financing sources in the governmental funds. In the government-wide financial statements, these amounts increase the outstanding balance of long-term liabilities.		
Issuance of debt - lease purchase agreement	(57,882,120)	-
New lease agreements	(18,711,118)	(12,690)
 Repayment of principal on long-term debt and lease agreements is reported as an expenditure in governmental funds. Principal payments reduce long-term liabilities in the Statement of Net Position.		
Principal payments - helicopter tower lease agreement	20,546	19,521
Principal payments - copier lease agreement	-	78,869
Principal payments - Fullerton Airport land lease agreement	1,281	-
Principal payments - Coulson aircraft lease agreement	12,849,635	-
 Other long-term liabilities are reported in the Statement of Net Position. The net annual change in the liability is recognized as an expense in the Statement of Activities. Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.		
OCERS pension plan	24,037,613	129,750,011
Extra Help pension plan	48,472	35,172
Other postemployment benefits (OPEB)	50,414,409	38,811,505
Accrued claims and judgments - workers' compensation	(12,073,854)	(12,538,085)
Compensated absences - other leave balances	(507,747)	986,864

***(Continued on next page)***

**ORANGE COUNTY FIRE AUTHORITY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023	2022
<i>(Continued)</i>		
<u>Accrued Interest</u>		
Interest expenditures are reported when paid in the governmental funds, while the net change in accrued interest incurred for the period is recognized as interest expense in the Statement of Activities.	(1,191,326)	-
<u>Unavailable Revenues</u>		
Certain receivables that have been accrued but not collected are reflected as unavailable revenue in the governmental funds. All earned revenue is recognized in the Statement of Activities regardless of when collected.		
Charges for services - Garden Grove start-up costs	(113,623)	(113,623)
<u>Interfund Transactions</u>		
Transactions between governmental funds are eliminated for presentation in the government-wide financial statements.		
Transfers in	(17,039,829)	(13,877,532)
Transfers out	17,039,829	13,877,532
Change in net position of governmental activities	\$109,203,330	\$158,531,362

**ORANGE COUNTY FIRE AUTHORITY**  
**General Fund**  
**Budgetary Comparison Statement**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 200,482,601	\$ 200,482,601	\$ 200,482,601	\$ -	\$ 192,454,616
Resources (inflows):					
Taxes	315,735,745	325,727,253	326,138,528	411,275	302,861,759
Intergovernmental	29,289,912	80,122,924	59,312,256	(20,810,668)	57,550,253
Charges for services	146,631,335	146,558,695	148,770,572	2,211,877	144,354,836
Use of money and property	1,881,564	2,404,019	3,767,140	1,363,121	(3,790,520)
Miscellaneous	1,232,800	33,467,277	23,670,734	(9,796,543)	11,128,699
Transfers in	-	3,097,603	3,097,603	-	4,363,014
Issuance of lease	-	-	18,711,118	18,711,118	12,690
Sale of capital assets	75,000	5,000	2,730	(2,270)	30,679
Insurance recoveries	-	175,254	234,163	58,909	1,632,834
Total resources (inflows)	<u>494,846,356</u>	<u>591,558,025</u>	<u>583,704,844</u>	<u>(7,853,181)</u>	<u>518,144,244</u>
Amounts available for appropriations	<u>695,328,957</u>	<u>792,040,626</u>	<u>784,187,445</u>	<u>(7,853,181)</u>	<u>710,598,860</u>
Charges to appropriation (outflows):					
Salaries and benefits	395,372,500	420,579,439	420,178,243	401,196	419,386,430
Services and supplies	69,239,645	141,824,979	100,601,960	41,223,019	79,854,490
Capital outlay	1,485,886	6,095,779	20,406,000	(14,310,221)	1,360,821
Transfers out	13,942,226	13,942,226	13,942,226	-	9,514,518
Total charges to appropriations	<u>480,040,257</u>	<u>582,442,423</u>	<u>555,128,429</u>	<u>27,313,994</u>	<u>510,116,259</u>
Budgetary fund balance, June 30	<u>\$ 215,288,700</u>	<u>\$ 209,598,203</u>	<u>\$ 229,059,016</u>	<u>\$ 19,460,813</u>	<u>\$ 200,482,601</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Pension and Other Employee Benefit Trust Funds	
	2023	2022
Assets:		
Cash and investments (Note 4):		
Local Agency Investment Fund:		
Domestic fixed income	\$ 18,558	\$ 50,154
Pooled amounts held in trust with OCERS	52,013,173	60,362,996
Total cash and investments	52,031,731	60,413,150
Receivables:		
Other receivables	19,889	18,254
Total assets	52,051,620	60,431,404
Liabilities:		
Accrued liabilities	1,019,027	934,984
Total liabilities	1,019,027	934,984
Net position restricted for:		
Pensions	18,558	50,154
Postemployment benefits other than pensions	51,014,035	59,446,266
Total net position	\$ 51,032,593	\$ 59,496,420



**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Pension and Other Employee Benefit Trust Funds	
	2023	2022
Additions:		
Contributions:		
Employer	\$ 3,239,308	\$ 17,372,300
Plan members	1,628,619	1,842,066
Total contributions	4,867,927	19,214,366
Net investment income:		
Total investment income	(4,303,560)	7,090,184
Investment fees and expenses	(378,398)	(348,148)
Total net investment income	(4,681,958)	6,742,036
Total additions	185,969	25,956,402
Deductions:		
Benefits and refunds paid to plan members and beneficiaries	8,626,156	8,440,288
Administrative expenses	23,640	23,640
Total deductions	8,649,796	8,463,928
Change in net position	(8,463,827)	17,492,474
Net position, beginning of year	59,496,420	42,003,946
Net position, end of year	\$ 51,032,593	\$ 59,496,420

# Notes to the Financial Statements



Open House  
March 4, 2023



**ORANGE COUNTY FIRE AUTHORITY**  
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**Year ended June 30, 2023**

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**Orange County Fire Authority**



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**ORANGE COUNTY FIRE AUTHORITY**  
**Notes to the Financial Statements**  
**Year ended June 30, 2023**

**(1) Summary of Significant Accounting Policies**

**(a) Description of the Reporting Entity**

Effective March 1, 1995, the County of Orange (County) and the cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda entered into a Joint Powers Agreement (JPA) to create the Orange County Fire Authority (OCFA). Since the creation of the OCFA, the cities of Aliso Viejo, Garden Grove, Laguna Woods, Rancho Santa Margarita, Santa Ana, and Westminster have also joined as members. The City of Placentia withdrew its membership from OCFA effective July 1, 2020. The purpose of OCFA is to provide fire protection, prevention, suppression, and related and incidental services including, but not limited to, emergency medical and transport services and hazardous materials regulation, as well as providing facilities and personnel for such services. OCFA's governing board consists of one representative from each member city and two from the County.

OCFA's operations are funded with a portion of property taxes collected by the County (Structural Fire Fund) for the unincorporated area and on behalf of all member cities except for the cities of Buena Park, Garden Grove, San Clemente, Santa Ana, Seal Beach, Stanton, Tustin, and Westminster, which are considered cash contract cities. The County pays all Structural Fire Fund taxes it collects to OCFA. Cash contract cities make cash contributions based on OCFA's annual budget. Upon dissolution, all surplus money and property of OCFA will be conveyed or distributed to each member in proportion to all funds provided to OCFA by that member or by the County on behalf of that member during its membership. Each member must execute any instruments of conveyance necessary to effectuate such distribution or transfer.

As required by generally accepted accounting principles, these financial statements present OCFA as the primary government, as well as any of its component units. A component unit is an entity for which a primary government entity is considered financially accountable.

- The primary government is considered financially accountable for an organization if it appoints a voting majority of that organization's governing body, and (1) if the primary government is able to impose its will on that organization or (2) there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- The primary government may also be considered financially accountable for an organization if that organization is fiscally dependent on the primary government (i.e., the organization is unable to approve or modify its budget, levy taxes or set rates/charges, or issue bonded debt without approval from the primary government).
- In certain cases, other organizations are included as component units if the nature and significance of their relationship with the primary government are such that their exclusion would cause the primary government's financial statements to be misleading or incomplete, even though the primary government is not considered financially accountable for that organization under the criteria previously described. A legally separate, tax exempt organization is reported as a component unit if (1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability otherwise access a majority of the economic resources received or held by the organization; and (3) the economic resources received or held by the organization are significant to the primary government.

Component units must be classified as either “blended” or “discrete” in the primary government’s financial statements. A component unit is “blended” if the governing boards of the two organizations are substantially the same, or if the component unit provides services entirely or almost entirely to the primary government. Because of the closeness of its relationship with the primary government, a “blended” component unit is presented as though it is part of the primary government and, therefore, is included in both the government-wide and fund financial statements. Component units that do not meet either of these two criteria are considered “discrete” and are reported only in the government-wide financial statements.

A brief description of OCFA’s discretely presented component unit is as follows:

- The **OCFA Foundation** (“Foundation”) was established by the OCFA Board of Directors in July 2010, and qualifies as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The purpose of the Foundation is to support OCFA with the additional resources needed to provide an enhanced level of fire prevention, suppression, and emergency medical services to the citizens of Orange County. The Foundation assists OCFA by conducting fundraising activities and securing non-government grant funds, services, materials, and contributions that support OCFA’s mission. OCFA provided \$50,000 from the General Fund as start-up funding for the Foundation, which was subsequently repaid to OCFA on April 28, 2021. The tax-exempt status of the Foundation was approved by the Internal Revenue Service on February 23, 2011, and the inaugural meeting of the Foundation Board was April 28, 2011.

The Foundation’s Board of Directors consists of no less than three and no more than seven members, the exact number determined by resolution of the Foundation Board. Foundation Board members must have been active in or had significant prior experience in governmental or community organizations, or the fire service. The Foundation Board may consist of any combination of members of the public, OCFA employees, and/or past or current OCFA Board members. Initially, the Chair of OCFA’s Board appointed the first three Foundation Directors. As of June 30, 2023, there were five non-OCFA Board members on the Foundation’s Board. Additional members may be appointed by the Foundation Board at a future date via a simple majority vote.

The Foundation is considered a component unit of OCFA, because the nature and significance of its relationship with OCFA is such that its exclusion would cause OCFA’s financial statements to be misleading or incomplete. Within these financial statements, the Foundation is reported as a discrete component unit in the government-wide financial statements. The Foundation also issues separate, component unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California 92602.

OCFA reports the Extra Help Retirement Plan and the Retiree Medical Plan, single-employer pension and other post-employment benefits plans, respectively, as fiduciary component units in the Pension and Other Post-Employment Benefits Trust Funds. These plans are administered by OCFA, with the OCFA Board serving as the governing body of the plans and approving plan provisions. Plan assets are held in trust in a fiduciary capacity for the purpose of providing pension and other post-employment benefits to OCFA’s retirees. As such, these component units are not reported as part of the OCFA’s reporting entity, but rather as fiduciary activities in accordance with GASB Statement No. 84.

(b) Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), report information about OCFA as a whole, excluding its fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. During the course of operations, OCFA has activity between its governmental funds for various purposes. Residual balances at the end of the fiscal year, interfund transfers, and other transactions between governmental funds, if any, are eliminated in the preparation of the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. OCFA considers revenues to be available if they are typically collected within 180 days of the end of the current fiscal period, with the exception of property taxes, which are considered available if they are typically collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and leases, are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by OCFA.

Fiduciary fund financial statements are reported using the same *economic resources measurement focus* and the *accrual basis of accounting* described for the government-wide financial statements.

### (c) Major Funds and Other Fund Types

#### Major Governmental Funds

Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. The General Fund is always a major fund. OCFA has elected to report all of its governmental funds as major funds.

- The **General Fund** is the primary operating fund of OCFA and is used to account for all financial resources not accounted for and reported in another fund. The General Fund accounts for the financial activities of providing fire suppression, protection, prevention, and related services to OCFA's member cities and unincorporated areas. The primary sources of revenue are property taxes for fire protection (Structural Fire Fund), cash contracts, intergovernmental reimbursements, and various user fees.
- The **Communications and Information Systems Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.



- The **Fire Apparatus Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.
- The **Fire Stations and Facilities Fund** is a capital projects fund used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

Fiduciary Fund Types

- **Pension and Other Employee Benefit Trust Funds** are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. OCFA’s pension and other employee benefit trust funds account for the extra help postemployment defined benefit retirement plan, and a postemployment health care plan trust established under Internal Revenue Code section 401(h) to pay health allowances to eligible retired members of the OCFA. The postemployment healthcare plan is presented in accordance with the plan year-end of December 31.

(d) Cash and Investments

OCFA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments.

Investments are stated at fair value (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants), in accordance with GASB Statement No. 72. OCFA's policy is generally to hold investments until maturity. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

(e) Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts.

Under California law, counties assess and collect property taxes up to 1% of assessed value and can increase the property tax rate no more than 2% per year. The property taxes go into a pool and are then allocated to the cities and local government entities based on complex formulas. The County bills and collects the property taxes and distributes them to OCFA in installments during the year. Accordingly, OCFA accrues only those taxes which are received from the County within 60 days after year-end. A summary of the property tax calendar is as follows:

Lien date	January 1
Levy date	Fourth Monday of September
Due dates	November 1 and February 1
Delinquent dates	December 10 and April 10

(f) Inventories and Prepaid Costs

OCFA accounts for all supplies inventories (i.e., office supplies, automotive parts, vehicle and jet fuel, etc.) under the “purchase method,” whereby expenditures are recognized at the time they are purchased, rather than when they are consumed or used. Thus, supplies inventories are recognized at cost using the specific identification method at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both the government-wide and fund financial statements. OCFA accounts for prepaid items (i.e., warranties, annual maintenance fees, and professional memberships) under the “consumption method,” whereby expenditures are recognized proportionately over the period that the services are provided. Nonspendable fund balance in an amount equal to prepaid costs is reported in the governmental fund types, since these amounts are not in a spendable form.

OCFA has established a dollar threshold for the review and establishment of prepaid items. Individual invoices and charges greater than or equal to \$5,000 are evaluated for reporting under the consumption method. Individual invoices and charges less than \$5,000 are reported under the “purchase method.” At the discretion of OCFA Finance Division management, exceptions to the \$5,000 threshold may include travel-related items or situations where failing to report a prepaid item under the consumption method may cause an individual division or section to materially exceed its appropriated budget for a given fiscal year.

(g) Capital Assets, Right-to-Use Lease Assets, and Right-to-Use Subscription Assets

Capital assets of governmental activities are reported in the government-wide financial statements, including land, construction in progress, work in progress, buildings, equipment, and vehicles. Capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or developer-contributed capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not materially add to the value of the asset or materially extend the asset’s useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets received in a service concession arrangement, if any, are reported at acquisition value.

Right-to-use lease assets are reported in the applicable governmental activities column in the government-wide financial statements. These capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$50,000 or more. Such capital assets are recorded at the present value of the lease liability, including expenses to place the asset into service. In accordance with GASB Statement No. 87, OCFA has reported right-to-use lease assets for buildings, equipment, vehicles, and land.

Right-to-use subscription assets (intangible assets), if any, are reported in the governmental activities column in the government-wide financial statements. These capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, fixed and fixed in-substance future payment stream over the subscription term estimated at \$50,000 or more. As of June 30, 2023, all Subscription-Based Information Technology Arrangement (SBITA) assets meeting the criteria of GASB Statement No. 96 were below OCFA’s materiality threshold.

OCFA’s capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	45 years
Equipment	3 – 40 years
Vehicles	4 – 20 years
Right-to-use lease assets	Shorter of the lease asset’s useful life or the lease term (currently >1 – 45 years)

(h) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as outflows of resources (expenses or expenditures) during the current fiscal year. OCFA currently reports deferred outflows pertaining to pensions and other postemployment benefits on the Statement of Net Position of governmental activities.

In addition to liabilities, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as inflows of resources (revenues) during the current fiscal year. Items that qualify for reporting as a deferred inflow in the governmental funds, which arise under the modified accrual basis of accounting, include unavailable revenue and deferred inflows pertaining to leases. These amounts will be recognized as an inflow of resources in the period that the amounts become available. OCFA also currently reports deferred inflows pertaining to pensions, other postemployment benefits, and leases on the Statement of Net Position of governmental activities.

(i) Compensated Absences

OCFA's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and unpaid sick leave to which employees are entitled under their respective Memorandums of Understanding (MOU's) have been accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured (for example, as a result of employee resignations or retirements).

(j) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Orange County Employees Retirement System (OCERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(k) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Medical Plan and additions to/deductions from OCFA's fiduciary net position have been determined on the same basis. For this purpose, OCFA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(l) Fund Equity

The components of the fund balances of governmental funds reflect the component classifications described below.

- **Nonspendable** fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.
- **Restricted** fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as OCFA's highest level of decision-making authority and has the authority to establish, modify, or rescind a fund balance commitment via a minutes order, which may or may not be documented by a written Board resolution.
- **Assigned** fund balance includes amounts intended to be used by OCFA for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors. OCFA's Board of Directors has established a *Fund Balance Assignment Policy* which establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use. The Board of Directors has the authority to assign fund balance, and has delegated its authority to assign amounts for workers' compensation and the capital improvement program to the Deputy Chief of the Administration & Support Bureau, or his/her designee, in accordance with the parameters outlined in the policy and subject to annual review and concurrence by the Budget and Finance Committee.
- **Unassigned** fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose. The General Fund should be the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific

purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, OCFA's *Flow Assumptions Policy* specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, OCFA's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

**(m) Operating Contingency**

In June 1998, OCFA established a General Fund Contingency Reserve ("operating contingency"), which was subsequently revised to 10% of budgeted non-grant operating expenditures. OCFA's policy states that the operating contingency be used only for operating contingencies, emergencies caused by calamitous events, and economic uncertainty. The operating contingency's balance is included within the unassigned fund balance category of the General Fund.

**(n) Prior Year Data**

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

**(o) Use of Estimates**

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

**(2) Compliance and Accountability**

**(a) Budgetary Information**

OCFA establishes accounting control through formal adoption of an annual operating budget for its governmental funds. The operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all of OCFA's governmental funds.

Perspective differences occur when the framework used for budgeting differs from the fund structure used for financial reporting. OCFA's General Fund consists of five separately budgeted sub-funds that have been combined and consolidated for financial statement presentation. The table below reconciles fund balance for the General Fund as reported on the budgetary basis to the presentation in the financial statements. The Supplementary Schedules section of this report includes additional General Fund combining schedules for balance sheet, budgetary data, and actual operating data for the year ended June 30, 2023.

	Fund Balance as of June 30, 2023
Budgetary basis:	
General Operating Fund	\$ 44,421,509
General Fund Capital Improvement Program (CIP)	8,855,094
Structural Fire Entitlement	3,519,541
Self Insurance	143,334,044
Settlement Agreement	<u>28,928,828</u>
General Fund for financial statement presentation	<u>\$229,059,016</u>

The adopted budget can be amended by the Board to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the Board's approval; however, division and section managers, Assistant Chiefs, Directors, and Deputy Chiefs may authorize changes within funds and/or their respective authorized budgets. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of OCFA to review the budgets mid-year and, if necessary, recommend changes to the Board.

**(b) Emergency Appropriations Policy**

In September 2008, the Board adopted the Emergency Appropriations Policy to provide a means of increasing budgeted appropriations in the event that extraordinary fire or emergency incident activity occurs after the last Board meeting of the fiscal year, which may cause expenditures to exceed the authorized General Fund budget. The contingency appropriation, which may not exceed \$3,000,000 each fiscal year, is established for unforeseen requirements, primarily salary and employee benefits for extraordinary fire or emergency response. No expenditures may be made directly against the contingency appropriations; however, OCFA management may recommend a transfer from the contingency appropriations to a specific purpose appropriation. The Chair of the Board of Directors or the Vice Chair, in the absence of the Chair, must pre-approve any such transfers. Upon approval by the Chair or Vice Chair, notice of this transfer must be provided immediately to the full Board in writing.

**(c) Encumbrance Accounting**

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in OCFA's governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the type of revenue source associated with the encumbrance, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. All appropriations lapse at year-end with the exception of encumbered appropriations, which are effectually re-appropriated in the ensuing year's budget.

**(3) Implementation of New Accounting Standards**

During the year ended June 30, 2023, OCFA implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*** provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under the statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. As of June 30, 2023, all SBITA assets meeting the criteria of GASB Statement No. 96 were below OCFA's \$50,000 materiality threshold.

**(4) Cash and Investments**

**(a) Financial Statement Presentation**

OCFA maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the balance sheet as cash and investments. Pooled investments held in trust with OCERS (presented within the Fiduciary Funds of these financial statements) are reported as of the December 31, 2022 plan year-end date. Additional investment information is provided within these notes as Note 23.

Cash and investments as of June 30, 2023, are reported in the financial statements as follows:

	Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Discretely Presented Component Unit (OCFA Foundation)	Fiduciary Funds	
Cash and investments	\$251,752,836	\$328,218	\$52,031,731	\$304,112,785
Restricted cash and investments	<u>19,896,244</u>	-	-	<u>19,896,244</u>
Total	<u>\$271,649,080</u>	<u>\$328,218</u>	<u>\$52,031,731</u>	<u>\$324,009,029</u>

Cash and investments consist of the following as of June 30, 2023:

Petty cash / cash on hand	\$ 19,990
Demand deposits	931,474
Investments	<u>323,057,565</u>
Total	<u>\$324,009,029</u>

**(b) Demand Deposits**

At June 30, 2023, the carrying amount of OCFA's demand deposits was \$931,474 and the bank balance was \$1,435,806. The \$504,332 difference represents outstanding checks and other reconciling items.

California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "agent of depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government. The OCFA Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

**(c) Investments Authorized by Government Code and OCFA Investment Policy**

The table below identifies investment types that are authorized by OCFA's investment policy and by California Government Code Section 53600 et seq. and Section 5922(d). The table also identifies provisions of the California Government Code (or OCFA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table, however, does not cover investments of debt proceeds, if any, held by fiscal agent, which are governed by the provisions of debt agreements of OCFA rather than the general provisions of OCFA's investment policy. In addition, this table does not include other investment types that are allowable under the California Government Code but are not specifically authorized by OCFA's investment policy.

Investment Types	Maximum Maturity	Maximum % of Portfolio in Investment Type	Maximum % of Portfolio in Single Issuer
U.S. Treasury obligations	5 years	100%	100%
Federal agency securities	5 years	75% <sup>(1)</sup>	75% <sup>(1)</sup>
Bankers' acceptances	180 days	25% <sup>(1)</sup>	25% <sup>(1)</sup>
Commercial paper	270 days	15% <sup>(1)</sup>	15% <sup>(1)</sup>
Negotiable certificates of deposit	5 years	25% <sup>(1)</sup>	25% <sup>(1)</sup>
Repurchase agreements	14 days	15% <sup>(1)</sup>	15% <sup>(1)</sup>
Money market mutual funds	n/a	15% <sup>(1,2)</sup>	15% <sup>(1,2)</sup>
Local Agency Investment Fund	n/a	75% <sup>(1)</sup>	75% <sup>(1)</sup>

(1) Based on OCFA investment policy requirement, which is more restrictive than state law

(2) No limit on automatic overnight sweep

(d) Local Agency Investment Fund

OCFA is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of OCFA's investment in this pool, which approximates cost, is reported in the accompanying financial statements based on OCFA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis and reported as cash equivalents in the Statement of Net Position. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Deposits and withdrawals to and from LAIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the investment with LAIF is uncategorized.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. The value of OCFA's LAIF deposits as of June 30, 2023, was \$39,789,797 and had a weighted average maturity of 260 days. LAIF is not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer's Office and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office, 915 Capitol Mall, Sacramento, California 95814.

(e) Internal Revenue Code Section 115 Trust

On May 23, 2019, OCFA's Board of Directors approved the adoption of the Public Agencies Post-Employment Benefits Trust, an Internal Revenue Service (IRS) Section 115 irrevocable trust (115 Trust) as required under the terms of a Settlement Agreement with the City of Irvine. The 115 Trust is administered by Public Agency Retirement Services (PARS) per the terms of an Agreement for Administrative Services (AAS) between OCFA and PARS for the initial term May 23, 2019, through May 23, 2022. Unless a thirty-day written notice to terminate is given by either party, the AAS will continue unchanged for successive twelve-month periods following the initial term. Under the terms of the AAS, PARS holds a private letter ruling from the IRS that assures the tax-exempt status of the investment. OCFA maintains control over the assets in the 115 Trust, which are not commingled with other agencies. PARS has entered into a Public Agencies Post-Employment Benefits Trust Arrangement with U.S. Bank National Association (U.S. Bank) effective November 5, 2014, whereby PARS serves as the Trust Administrator and U.S. Bank serves as the Trustee for a public agency that executes a 115 Trust agreement with PARS. Additional 115 Trust information, including the funding timeline required per OCFA's Settlement Agreement with the City of Irvine, is provided within these notes as Note 16.

(f) GASB Statement No. 72

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date. OCFA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. For Level 2 inputs, OCFA's custodian US Bank uses the services of ICE Data Services (IDS) to obtain the pricing information. Level 3 inputs are significant unobservable inputs. OCFA has the following fair value measurements as of June 30, 2023:

	Fair Value Hierarchy Level			Total
	Level 1	Level 2	Level 3	
U.S. Treasury obligations	\$ 88,031,790	\$ -	\$ -	\$ 88,031,790
Federal agency securities	-	104,343,708	-	104,343,708
Money market mutual funds	<u>31,562,203</u>	-	-	<u>31,562,203</u>
	<u>\$119,593,993</u>	<u>\$104,343,708</u>	<u>\$ -</u>	223,937,701
Uncategorized investments:				
LAIF				39,789,797
Pooled amounts held in trust with OCERS				52,013,173
Section 115 pension trust				<u>7,316,894</u>
Total				<u>\$323,057,565</u>

U.S. Treasury obligations and federal agency securities are valued using institutional bond quotes. Money market investments that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools, and investments held by 2a7-like external investment pools, are measured at amortized cost as provided in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(g) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, OCFA's investment policy, or debt agreements, as well as the actual rating as of year-end for each investment type as of June 30, 2023.

	Minimum Rating Required	Rating at Year-End			
		AAA	Unrated	Exempt	Total
U.S. Treasury obligations	N/A	\$ -	\$ -	\$ 88,031,790	\$ 88,031,790
Federal agency securities	N/A	-	-	104,343,708	104,343,708
Money market mutual funds	Aaa/AA+/AAA	31,562,203	-	-	31,562,203
LAIF	N/A	-	39,789,797	-	39,789,797
Pooled amounts held in trust with OCERS	N/A	-	52,013,173	-	52,013,173
Section 115 pension trust	N/A	-	<u>7,316,894</u>	-	<u>7,316,894</u>
Total		<u>\$31,562,203</u>	<u>\$99,119,864</u>	<u>\$192,375,498</u>	<u>\$323,057,565</u>

(h) Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. OCFA's investment policy requires that collateral be held by an independent third party with whom OCFA has a current custodial agreement. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. OCFA's investment policy requires that all security



transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of OCFA's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. As of June 30, 2023, none of the OCFA's deposits or investments was exposed to disclosable custodial credit risk.

(i) Concentration of Credit Risk

OCFA's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: U.S. Treasury obligations (100%), LAIF (75%), federal agency securities (75%), bankers' acceptances (25%), and negotiable certificates of deposit (25%). With respect to concentration risk as of June 30, 2023, OCFA is in compliance with the investment policy's restrictions. In addition, GASB Statement No. 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value (exclusive of amounts held by fiscal agent and OCERS). Investments guaranteed by the U.S. government, mutual funds, and external investment pools are excluded from this requirement. Investments with issuers exceeding 5% of the total investment portfolio at June 30, 2023, are summarized below.

Issuer	Fair Value	% of Portfolio
Federal Home Loan Bank (FHLB)	\$76,717,928	30.5%
Federal Farm Credit Bank (FFCB)	\$27,625,780	11.0%

(j) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. OCFA's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. OCFA's investment policy states that at least 50% of the portfolio must mature in one year or less, and unless matched to a specific requirement and approved by the Executive Committee and the Board of Directors, no portion of the portfolio may exceed five years. OCFA has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2023, the OCFA had the following investments and maturities:

	Investment Maturities in Months				Total
	6 or Less	7 to 12	13 to 60	N/A	
U.S. Treasury obligations	\$ 88,031,790	\$ -	\$ -	\$ -	\$ 88,031,790
Federal agency securities	41,605,900	9,064,676	53,673,132	-	104,343,708
Money market mutual funds	31,562,203	-	-	-	31,562,203
LAIF	-	39,789,797	-	-	39,789,797
Pooled amounts held in trust with OCERS	-	-	-	52,013,173	52,013,173
Section 115 pension trust	-	-	-	7,316,894	7,316,894
Total	\$161,199,893	\$48,854,473	\$53,673,132	\$59,330,067	\$323,057,565

As of June 30, 2023, OCFA's investments included the following callable investments exposed to interest rate risk:

Issuer	Call Date(s)	Yield to Call	Maturity Date	Fair Value
Federal Farm Credit Bank (FFCB)	7/1/2023	0.19%	9/22/2023	\$13,829,620
Federal Farm Credit Bank (FFCB)	7/1/2023	0.72%	4/28/2025	\$11,024,160
Federal Farm Credit Bank (FFCB)	7/21/2023	0.71%	4/21/2025	\$2,772,000
Federal Home Loan Bank (FHLB)	6/30/2023	0.55%	9/30/2024	\$7,502,560
Federal Home Loan Bank (FHLB)	7/8/2023	0.38%	4/8/2024	\$9,064,676
Federal Home Loan Bank (FHLB)	7/23/2023	0.52%	10/23/2024	\$10,296,932
Federal Home Loan Bank (FHLB)	7/29/2023	1.00%	4/29/2026	\$10,805,160
Federal Home Loan Bank (FHLB)	8/11/2023	0.55%	10/11/2024	\$11,272,320

**(5) Accounts Receivable, Net**

Accounts receivable, net of allowance for doubtful accounts, consists of the following as of June 30, 2023:

	Governmental Funds		Primary Government
	General Fund	Communications And Information Systems	Governmental Activities
Ambulance and other reimbursements	\$3,678,143	\$156,502	\$3,834,645
Fire prevention and late fees	655,917	-	655,917
Other/miscellaneous	<u>187,389</u>	-	<u>187,389</u>
Accounts receivable	4,521,449	156,502	4,677,951
Allowance for doubtful accounts	<u>(2,138,518)</u>	-	<u>(2,138,518)</u>
Accounts receivable, net	<u>\$2,382,931</u>	<u>\$156,502</u>	<u>\$2,539,433</u>

**(6) Prepaid Costs, Other Assets, and Nonspendable Fund Balance of Governmental Funds**

In January 2022, OCFA prepaid a portion of its Fiscal Year 2022/23 retirement contributions to the Orange County Employees Retirement System (OCERS) totaling \$33,262,203. In January 2023, OCFA prepaid a portion of its Fiscal Year 2023/24 retirement contributions to OCERS totaling \$30,499,241. In the governmental funds, the unamortized balance of the January 2022 prepayment totaled \$1,279,316 as of June 30, 2023, due to the timing of the pay period calendar. The entire amount of the January 2023 prepayment was unamortized as of June 30, 2023. In the governmental activities, a portion of Fiscal Year 2023/24 prepaid retirement contributions totaling \$14,077,000 is reported as a deferred outflow of resources related to pensions, since the contributions will reduce (increase) the net pension liability (asset) with OCERS prior to the Plan's next measurement date.

Other prepaid costs and assets as of June 30, 2023, included annual maintenance and support fees, subscriptions, professional memberships, warranties, insurance premiums, and deposits with the third-party administrator of an employee benefit flexible health spending program. Prepaid costs and other assets consist of the following as of June 30, 2023:

	Governmental Funds			Primary Government
	General Fund	Communications and Information Systems	Fire Apparatus	Governmental Activities
<b>Prepaid costs:</b>				
Retirement contributions:				
Fiscal Year 2023/24	\$30,499,241	\$ -	\$ -	\$16,422,241
Fiscal Year 2022/23	1,279,316	-	-	1,279,316
Maintenance and support	628,479	16,881	-	645,360
Subscriptions and memberships	37,838	-	-	37,838
Insurance	32,169	-	-	32,169
Warranties	-	-	8,708	8,708
Other	<u>65,839</u>	-	-	<u>65,839</u>
Total prepaid costs	32,542,882	16,881	8,708	18,491,471
<b>Other assets:</b>				
Health spending deposits	<u>29,544</u>	-	-	<u>29,544</u>
Total	<u>\$32,572,426</u>	<u>\$16,881</u>	<u>\$8,708</u>	<u>\$18,521,015</u>

Prepaid costs are reported as an asset until the expenditures are recognized proportionately over the future period in which the services are to be provided. An amount equal to the asset is reported as nonspendable fund balance in the governmental funds, since these amounts are not in a spendable form. As of June 30, 2023, nonspendable fund balance totaled \$32,568,471 and is reported in the General Fund (\$32,542,882), the Communications and Information Systems Fund (\$16,881), and the Fire Apparatus Fund (\$8,708).

**(7) Due from Other Governments**

Amounts due from other governments consist of the following as of June 30, 2023:

	Governmental Funds		Primary Government
	General Fund	Fire Stations and Facilities	Governmental Activities
FIRIS program	\$ 9,808,207	\$ -	\$ 9,808,207
Property tax and tax increment	7,336,559	-	7,336,559
State responsibility area	6,328,565	93,814	6,422,379
COVID-19 pandemic response	4,984,053	-	4,984,053
Assistance by hire (ABH) and activation claims	4,535,026	-	4,535,026
Grants	1,753,944	-	1,753,944
Cash contract charges	1,387,627	-	1,387,627
Airport rescue firefighting	941,032	-	941,032
Other	<u>11,140</u>	<u>-</u>	<u>11,140</u>
Due from other governments	37,086,153	93,814	37,179,967
Allowance for doubtful accounts	<u>(98,538)</u>	<u>-</u>	<u>(98,538)</u>
Due from other governments, net	<u>\$36,987,615</u>	<u>\$93,814</u>	<u>\$37,081,429</u>

**(8) Lessor in Lease Agreement (Lease Receivables)**

**(a) General Information about the Lease**

On March 24, 2011, OCFA entered into a Wireless Communications Facilities Site Lease with Vista Towers, LLC (Vista), to provide space at the OCFA-owned Regional Fire Operations and Training Center to install and operate a digital mobile radio communications site consisting of up to two wireless communication towers, equipment shelters, and cabinets, for up to six cell phone carriers (Cell Tower). In July 2015, the Board of Directors approved Vista’s request to assign its interest in the lease to SBA Towers VI, LLC (SBA). SBA assumed the payment terms of the original agreement, and is responsible for the installation, construction, maintenance, repairs, replacement, and operations of the towers and, if applicable, the removal of the towers upon termination of the lease.

The five-year lease term commenced on July 15, 2012. The lease may be renewed for up to four consecutive five-year increments, for a total of twenty-five years through July 15, 2037. Rent is due the first of each month and is determined based on the number of carriers being occupied by each tower. Initial base rent, which automatically increases by 3% annually, is \$1,250 for each month in which there is one or no carrier on one of the towers, and \$1,000 per month for each additional carrier occupied on each tower beyond the first carrier. OCFA began collecting base rent commencing July 15, 2012, with rent for a second and third carrier commencing in June and October 2013, respectively. Base rent for a fourth carrier commenced in December 2022. Adjusted monthly base rent as of June 30, 2023, was \$5,330 for the four carriers.

A remeasurement adjustment in the amount of \$95,599 increased the amount of the lease cell tower asset as of December 1, 2022. As of June 30, 2023, OCFA reported a lease receivable and a deferred inflow of resources totaling \$895,177, and \$839,179, respectively, in the General Fund and the primary government’s governmental activities. The deferred inflow of resources relating to leases will be recognized as a reduction of the lease receivable over the remaining term of the lease agreement. The lease receivable will be reduced as repayments are received. Principal and interest totaling \$38,599 and \$20,366, respectively, were received during the year ended June 30, 2023.

**(b) Inflows of Resources**

Inflows of resources recognized in Fiscal Year 2022/23 consisted of the following:

<u>Inflows of Resources</u>	<u>Amount</u>
Lease revenue	\$57,222
Interest revenue	<u>20,336</u>
Total	<u>\$77,558</u>

**(9) Capital Assets**

**(a) Changes in Capital Asset Balances by Asset Class**

Capital asset activity for the year ended June 30, 2023, was as follows:

<u>Primary Government/ Governmental Activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Capital assets not depreciated/amortized:					
Land	\$ 42,757,850	\$ -	\$ -	\$ -	\$ 42,757,850
Construction in progress	977,546	1,568,988	-	(269,163)	2,277,371
Work in progress	<u>6,766,409</u>	<u>49,665,843</u>	-	<u>(4,351,813)</u>	<u>52,080,439</u>
Total capital assets not depreciated/amortized	<u>50,501,805</u>	<u>51,234,831</u>	-	<u>(4,620,976)</u>	<u>97,115,660</u>
Capital assets depreciated/amortized:					
Buildings	153,637,069	-	-	269,163	153,906,232
Right-to-use lease buildings	251,578	-	-	-	251,578
Equipment	72,217,955	1,224,047	(9,536,499)	559,788	64,465,291
Right-to-use lease equipment	174,672	18,711,118	-	-	18,885,790
Vehicles	115,626,214	1,160,719	(152,245)	3,792,025	120,426,713
Right-to-use lease land	<u>4,679,622</u>	-	-	-	<u>4,679,622</u>
Subtotal	<u>346,587,110</u>	<u>21,095,884</u>	<u>(9,688,744)</u>	<u>4,620,976</u>	<u>362,615,226</u>
Less accumulated depreciation/amortization:					
Buildings	(60,368,648)	(3,337,524)	-	-	(63,706,172)
Right-to-use lease buildings	(43,866)	(22,668)	-	-	(66,534)
Equipment	(50,668,407)	(3,621,346)	9,270,263	-	(45,019,490)
Right-to-use lease equipment	(174,672)	(12,474,096)	-	-	(12,648,768)
Vehicles	(66,647,848)	(6,152,484)	152,245	-	(72,648,087)
Right-to-use lease land	<u>(208,032)</u>	<u>(104,016)</u>	-	-	<u>(312,048)</u>
Subtotal	<u>(178,111,473)</u>	<u>(25,712,134)</u>	<u>9,422,508</u>	-	<u>(194,401,099)</u>
Total capital assets depreciated/amortized, net	<u>168,475,637</u>	<u>(4,616,250)</u>	<u>(266,236)</u>	<u>4,620,976</u>	<u>168,214,127</u>
Capital assets, net	<u>\$218,977,442</u>	<u>\$46,618,581</u>	<u>\$ (266,236)</u>	<u>\$ -</u>	<u>\$265,329,787</u>

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Component Unit/ OCFA Foundation	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets depreciated/amortized:					
Equipment	\$ 15,979	\$ -	\$ -	\$ -	\$ 15,979
Less accumulated depreciation/amortization:					
Equipment	<u>(4,062)</u>	<u>(799)</u>	<u>-</u>	<u>-</u>	<u>(4,861)</u>
Capital assets, net	<u>\$ 11,917</u>	<u>\$ (799)</u>	<u>-</u>	<u>-</u>	<u>\$ 11,118</u>

(b) Net Investment in Capital Assets

The portion of net position that is invested in capital assets as of June 30, 2023, is calculated as follows:

	Primary Government Governmental Activities	Component Unit OCFA Foundation
Total capital assets, net of accumulated depreciation/amortization	\$ 459,730,886	\$15,979
Accumulated depreciation/amortization	<u>(194,401,099)</u>	<u>(4,861)</u>
Net carrying value of capital assets	265,329,787	11,118
Outstanding principal of capital debt, limited to portion of the debt on which proceeds were expended for capital purposes:		
Master equipment lease/purchase agreement	(45,535,664)	-
Lease liabilities	<u>(10,734,307)</u>	<u>-</u>
Net investment in capital assets	<u>\$ 209,059,816</u>	<u>\$11,118</u>

(c) Depreciation/Amortization Expense

Depreciation/amortization expense in the amounts of \$25,712,134 and \$799 were charged to public safety in the Statement of Activities of the primary government and the component unit, respectively, for the year ended June 30, 2023.

**(10) Unearned and Unavailable Revenue**

Revenue amounts that have been collected but are *unearned* are reported as liabilities of both the governmental activities and the governmental funds. Revenue amounts that have been earned but are considered *unavailable* to finance the expenditures of the current fiscal period are reported as deferred inflows of resources of the governmental funds. Unearned and unavailable revenues consist of the following as of June 30, 2023:

	Governmental Funds	Primary Government Governmental Activities	Component Unit OCFA Foundation
	General Fund		
Unearned revenue:			
Quick Reaction Force program cash advance	\$9,247,811	\$9,247,811	\$ -
Grant cash advance for mobile helicopter dip tank	96,454	96,454	-
Grant cash advance for CERT program	17,393	17,393	-
Cell tower rent – July 2023	5,411	5,411	-
Miscellaneous cash advances	<u>11,586</u>	<u>11,586</u>	<u>14,850</u>
Total	<u>\$9,378,655</u>	<u>\$9,378,655</u>	<u>\$14,850</u>
Unavailable revenue:			
City of Garden Grove start-up costs	<u>\$ 681,733</u>		
Total	<u>\$ 681,733</u>		

**(11) Due to Other Governments**

Amounts due to other governments consist of the following as of June 30, 2023:

	<u>Governmental Funds</u>	<u>Primary Government</u>
	<u>General Fund</u>	<u>Governmental Activities</u>
Pass-through payments for activations and exercises:		
City of Anaheim	\$3,751	\$3,751
City of Orange	<u>1,278</u>	<u>1,278</u>
Total	<u>\$5,029</u>	<u>\$5,029</u>

**(12) Fund Balance of Governmental Funds – Restricted**

Restricted fund balance consists of the following as of June 30, 2023:

<u>Description of Restriction</u>	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Fire Apparatus</u>	<u>Fire Stations and Facilities</u>	<u>Total</u>
Capital improvement program:				
State funding for hand crew facility and equipment	\$ -	\$ -	\$16,931,500	\$16,931,500
Unspent debt proceeds from helicopter lease purchase agreement	-	12,530,156	-	12,530,156
CalFire contract revenues for capital projects	-	-	<u>710,060</u>	<u>710,060</u>
	<u>-</u>	<u>12,530,156</u>	<u>17,641,560</u>	<u>30,171,716</u>
Various departments:				
CalFire funding for greenhouse gas reduction	3,123,572	-	-	3,123,572
CalFire funding for surge firefighter staffing	450,610	-	-	450,610
CalFire funding for hand crew firefighter staffing	433,332	-	-	433,332
CalFire augmentation funding for upstaffing	354,161	-	-	354,161
CalFire augmentation funding for special projects	343,876	-	-	343,876
CalFire contract revenues for capital projects	<u>23,037</u>	-	-	<u>23,037</u>
	<u>4,728,588</u>	-	-	<u>4,728,588</u>
Section 115 pension trust:				
Irvine Settlement Agreement	<u>7,316,140</u>	-	-	<u>7,316,140</u>
	<u>7,316,140</u>	-	-	<u>7,316,140</u>
Total	<u>\$12,044,728</u>	<u>\$12,530,156</u>	<u>\$17,641,560</u>	<u>\$42,216,444</u>

Restricted fund balance includes resources accumulated from CalFire and other state funding that must be utilized for specific programs or projects, including staffing enhancements, new fire station development, or improvements to existing fire stations; unspent debt proceeds from the 2022 helicopter lease purchase agreement that must be utilized for acquiring and installing two helicopters, related equipment, and training; and amounts set aside in a Section 115 trust for pension obligations in accordance with the March 28, 2019, Settlement Agreement between OCFA and the City of Irvine.

**(13) Fund Balance of Governmental Funds – Committed**

In July 1999, the Board of Directors authorized that \$4,405,086 be set aside to fund OCFA-related service or resource enhancement projects in certain structural fire fund member agencies. The Board of Directors subsequently authorized additional amounts to be set aside for the same purpose in January 2012 (\$622,106), November 2017 (\$1,000,000), and March 2022 (\$3,428,054). As of June 30, 2023, the remaining unspent amount, plus accrued interest earnings, totaling \$3,519,541 was reported as a fund balance commitment in the General Fund. The funds are committed for projects in the following member agencies:

<u>Member Agency</u>	Governmental Funds
	<u>General Fund</u>
Aliso Viejo	\$ 53,342
Dana Point	12,203
Irvine	3,095,651
Laguna Hills	35,273
Laguna Niguel	269,477
Rancho Santa Margarita	20,332
San Juan Capistrano	967
Villa Park	<u>32,296</u>
Total	<u>\$3,519,541</u>

**(14) Fund Balance of Governmental Funds – Assigned**

Assigned fund balance includes the following as of June 30, 2023:

Capital Improvement Program	\$ 22,262,329
Workers' compensation	143,334,044
Intended for other specific purposes	<u>39,327,110</u>
Total	<u>\$204,923,483</u>

The Board of Directors has established a *Fund Balance Assignment Policy* authorizing the assignment of fund balance to the Capital Improvement Program and self-insured workers' compensation claims.

- The assignment to the Capital Improvement Program reflects cumulative amounts transferred from the General Fund to the capital projects funds, net of actual cumulative project expenditures and other revenue sources accounted for in those funds. The assignment may also include net resources accumulated within the General Fund itself to fund purchases and projects that are capital in nature but do not necessarily meet the criteria to be reported in one of OCFA's capital projects funds. The assignment may not exceed the net cost of future identifiable projects. Fund balance assigned for the Capital Improvement Program totaled \$22,262,329 as of June 30, 2023, and is reported in the General Fund (\$6,545,843), Communications and Information Systems Fund (\$5,597,631), Fire Apparatus Fund (\$5,012,707) and Fire Stations and Facilities Fund (\$5,106,148).
- The assignment to workers' compensation reflects the cumulative difference between actual workers' compensation expenditures incurred and budgeted costs, which are based on an annual actuarial valuation prepared by an external actuary and a confidence level set by the Board of Directors. The assignment for workers' compensation is reported in the General Fund and totaled \$143,334,044 as of June 30, 2023.

Assigned fund balance as of June 30, 2023, intended to be used by OCFA for other specific purposes, subject to change, totaled \$39,327,110 and is summarized below for each governmental fund:

Intended Use of Resources	Communications and Information Systems Communications/ IT Projects	Fire Apparatus Fire Apparatus and Vehicles	Fire Stations and Facilities Construction Projects
Fire Station No. 24 (Mission Viejo)	\$ -	\$ -	\$13,512,470
Mid-mount and rear mount trucks	-	10,762,666	-
Type 1 engines	-	3,905,753	-
Hazardous materials vehicles	-	1,941,261	-
Outfitting for 44 pickup trucks	-	1,342,606	-
Heavy rescue vehicle	-	947,488	-
RFOTC training ground improvements	-	-	633,066
Fuel truck	-	512,095	-
Mail trucks	-	318,616	-
Emergency medical services enterprise system	277,153	-	-
Dozer tenders	-	246,487	-
Infrastructure security enhancements	-	-	227,126
Crew cab stake side trucks	-	201,610	-
Enterprise audio visual upgrade	91,030	-	-
Data Center fire suppression system	40,127	-	-
Disaster recovery facility	14,562	-	-
Fire Station No. 12 (Laguna Woods)	-	-	6,250
Total	<u>\$422,872</u>	<u>\$20,178,582</u>	<u>\$14,378,912</u>

Intended Use of Resources	General Fund				
	Various Departments	Facilities Projects	Communications/ IT Projects	Construction Projects	Total
Station alarm system upgrades	\$ -	\$ -	\$1,069,872	\$ -	\$1,069,872
800 MHz radios	-	-	984,762	-	984,762
Heavy Rescue 6 tools and equipment	348,499	-	-	-	348,499
Freightliner water tender	318,997	-	-	-	318,997
Chest compression devices for basic life support (BLS) units	282,093	-	-	-	282,093
Urban Search & Rescue program services and supplies	173,130	-	-	-	173,130
Battery-powered ventilation fans	124,241	-	-	-	124,241
Communications and information technology supplies	108,493	-	-	-	108,493
Mobile helicopter dip tank	94,385	-	-	-	94,385
Golf carts and utility trailer	87,212	-	-	-	87,212
Station No. 41 (Air Operations) dorm repairs	-	-	-	73,400	73,400
Station bathroom gender compliance projects	-	-	-	69,339	69,339
Tree pest mitigation projects	65,120	-	-	-	65,120
Other	<u>247,586</u>	<u>232,727</u>	<u>62,221</u>	<u>4,667</u>	<u>547,201</u>
Total	<u>\$1,849,756</u>	<u>\$232,727</u>	<u>\$2,116,855</u>	<u>\$147,406</u>	<u>\$4,346,744</u>



**(15) Fund Balance of Governmental Funds – Unassigned**

Unassigned fund balance in the General Fund consists of the following as of June 30, 2023:

10% Operating Contingency calculation	\$41,776,013
Less: calculation in excess of total unassigned fund balance	<u>(15,050,779)</u>
10% Operating Contingency, adjusted	26,725,234
All other residual amounts available for any purpose	-
Total unassigned fund balance	<u>\$26,725,234</u>

The total amount of the 10% Operating Contingency calculation was \$41,776,013 as of June 30, 2023, which exceeded the General Fund’s total unassigned fund balance by \$15,050,779.

**(16) Commitments and Contingencies**

**(a) Settlement Agreement**

Effective March 28, 2019, OCFA and Irvine entered into a Settlement Agreement, which was amended December 4, 2019, to provide the following provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA’s jurisdiction:

- **Joint Police-Fire Training Facility** – Irvine will plan, develop, construct, operate, and maintain a joint training center, which will include a joint emergency operations center (collectively the Joint Training Facility) for use by the City and OCFA for no less than fifty years from completion of the facility’s construction. Irvine will contribute the land and will operate and maintain the real property that comprises the Joint Training Facility. In exchange for its use, OCFA will contribute \$20,500,000 to be used by Irvine toward the Joint Training Facility’s design, construction, furnishing, and the provision of fixtures or equipment for facilities. Upon Irvine’s execution of design contracts, OCFA will pay Irvine \$1,000,000 for the exclusive use of making payments on the design contracts and for other expenses relating to the design of the Joint Training Facility as mutually agreed upon by Irvine and OCFA. Upon Irvine’s execution of a construction contract, OCFA will pay Irvine additional amounts as follows: (1) a combined \$19,500,000 for the construction, furniture, fixtures, and equipment of the training center (\$18,500,000) and the emergency operations center (\$1,000,000); and (2) the cost of any facility enhancements OCFA requested during the design process that would cause OCFA’s total financial contributions to collectively exceed \$20,500,000.
- **Drone Program** – Irvine will establish and operate a program under which Irvine personnel will use drones to monitor open space areas in Irvine. Drones will be available to OCFA upon request to monitor open space or active fires or other hazards and disasters throughout OCFA’s jurisdictional boundaries. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for the Drone Program, including anticipated costs of personnel, equipment, space, and other direct costs, totaling at least \$500,000 per year. OCFA will pay Irvine \$500,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the annual certification of program and budget as previously described by June 1 of any year, then OCFA’s annual payment will not be due until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA’s annual \$500,000 payment, the difference will be deducted from OCFA’s subsequent year payment. OCFA’s expenditures for Fiscal Year 2022/23 totaled \$500,000.
- **Bi-Directional Amplifiers** – OCFA will reimburse Irvine \$500,000 for the purchase and installation of bi-directional amplifiers at nine locations within Irvine’s municipal boundaries. Reimbursement payments will be made upon documentation that the amplifiers are installed and operating.
- **OCFA Training of Irvine Police Department (IPD) Emergency Medical Technicians (EMT)** – OCFA personnel will provide IPD personnel with EMT training at a cost to OCFA of \$50,000 per fiscal year through June 30, 2030.

Training will be provided as requested by IPD personnel and unused training sessions will not carry over to future fiscal years. OCFA’s obligation to provide EMT training commences on the latter of July 1, 2019, and the date IPD identifies personnel that are either specifically employed to serve as EMT’s for Irvine or that have EMT functions integrated into their job duties.

- **Public Safety Community Emergency Response Team (CERT) Coordinator** – OCFA will pay Irvine \$118,000 per fiscal year toward the cost of one Irvine-employed, full-time CERT Coordinator. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for a CERT Coordinator position, including anticipated costs of salary, benefit, and other direct costs, totaling at least \$118,000 per year. OCFA will pay Irvine \$118,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the certification of program and budget as previously described by June 1, 2019, then the first payment will not be due to Irvine until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA’s annual \$118,000 payment, the difference will be deducted from OCFA’s subsequent year payment. OCFA’s expenditures for Fiscal Year 2022/23 totaled \$118,000.
  
- **Pension Funding Annual Deposits to 115 Trust** – OCFA will pay \$2,000,000 per year into an Internal Revenue Code Section 115 Trust (115 Trust) to be established with the Public Agency Retirement Services (PARS), the Orange County Employees Retirement System (OCERS), or another mutually-agreed upon administrator (Trust Administrator). On or prior to July 1, 2019, OCFA will establish the 115 Trust with the Trust Administrator. The annual \$2,000,000 115 Trust payment will be due on July 15 of each fiscal year beginning July 15, 2019, and ending July 15, 2029; however, if OCFA has not funded 85% of its pension liability as determined by OCERS by June 30, 2020, then the required 115 Trust payment will be reduced to \$1,500,000 per fiscal year until OCFA achieves the targeted 85% funding level. The \$500,000 reduction will instead be contributed to OCERS as an additional employer pension contribution. The first 115 Trust payment due on July 15, 2019, will not be reduced even if the 85% target funding has not been achieved. Sub-accounts will be established within the 115 Trust to attribute on a pro-rata basis portions of each payment to Structural Fire Fund members whose revenues were greater than the cost of providing fire services during the prior fiscal year. If OCFA is dissolved in the manner described in California Government Code Section 6508.2, then as part of the dissolution process OCFA will apportion retirement liabilities among all of its member agencies. The amounts deposited into the 115 Trust and attributed by sub-accounts will not be utilized in making this apportionment calculation. Upon completion of the apportionment calculation, the 115 Trust will be liquidated and the amounts used toward the satisfaction of the portion of liability assigned to such 115 Trust contributing members through the apportionment calculation. OCFA remitted payment(s) to the 115 Trust totaling \$2,000,000 during Fiscal Year 2022/23.

OCFA’s remaining financial commitment as of June 30, 2023, under the various provisions of the Settlement Agreement totals approximately \$39,676,000 over the remaining seven-year period July 1, 2023, through June 30, 2030, as summarized in the table below.

Settlement Agreement Service Enhancement	OCFA Financial Commitment	
	Ongoing Annual Costs	One-Time Costs
Joint Police-Fire Training Facility and Emergency Operations Center	\$ -	\$20,500,000
Drone Program	500,000	-
Bidirectional Amplifiers	-	500,000
OCFA Training of Irvine Police Department Emergency Medical Technicians	50,000	-
Public Safety Community Emergency Response Team (CERT) Coordinator	118,000	-
Pension Funding Annual Deposits to 115 Trust	<u>2,000,000</u>	<u>-</u>
Total original financial commitment	<u>\$ 2,668,000</u>	<u>\$21,000,000</u>
Total remaining OCFA financial commitment over eight fiscal years (Fiscal Year 2023/24 through Fiscal Year 2029/30)	\$18,676,000	\$21,000,000

(b) Commitments for Outstanding Encumbrances

As of June 30, 2023, commitments with vendors for outstanding encumbrances (unperformed purchase orders and contracts for goods and services) by major governmental fund are as follows:

General Fund	\$ 4,350,744
Communications and Information Systems	422,872
Fire Apparatus	20,178,582
Fire Stations and Facilities	<u>14,378,912</u>
Total outstanding encumbrances	<u>\$39,331,110</u>

Significant individual commitments with vendors as of June 30, 2023, are identified below.

<u>Fund / Vendor</u>	<u>Description</u>	<u>Original Commitment</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
<i><u>General Fund:</u></i>				
Westnet	Alerting systems upgrades at various stations	\$1,797,945	\$759,002	\$1,038,943
Motorola Solutions, Inc.	Radios and accessories	984,762	-	984,762
PB Loader Corporation	Freightliner water tender	318,997	-	318,997
Stryker Sales Corporation	Lucas chest compression devices	282,093	-	282,093
LN Curtis & Sons	Rescue tools	277,394	77,041	200,353
Allstar Fire Equipment	Battery-powered ventilation fans	124,241	-	124,241
<i><u>Communications and Information Systems:</u></i>				
Firstwatch Solutions, Inc.	Data extraction and analytics	417,548	175,017	242,531
Apploon (The Murdock Corporation)	Urban Search & Rescue warehouse audio visual installation	298,231	207,201	91,030
<i><u>Fire Apparatus:</u></i>				
Sutphen Corporation	(3) Mid mount trucks	4,794,025	-	4,794,025
KME Fire Apparatus	(3) Rear mount trucks	4,476,481	-	4,476,481
KME Fire Apparatus	(4) Type 1 engines	3,111,642	-	3,111,642
Rosenbauer Minnesota, LLC	(2) Hazardous materials vehicles	1,941,261	-	1,941,261
KME Fire Apparatus	(1) Rear mount truck	1,492,160	-	1,492,160
Rosenbauer Minnesota, LLC	(1) Heavy rescue vehicle	947,488	-	947,488
KME Fire Apparatus	(1) Type 1 engine	794,111	-	794,111
Johnson Equipment Company	Radio consoles and rear command units	655,619	-	655,619
PB Loader Corporation	(1) Freightliner fuel truck	512,095	-	512,095
<i><u>Fire Stations and Facilities:</u></i>				
EC Constructors, Inc.	Design/build services for Fire Station No. 24 (Mission Viejo)	14,996,489	1,484,020	13,512,469
HMC Group	Architectural engineering and construction support for RFOTC training grounds expansion project	880,400	335,743	544,657

(c) Pending Litigation and Other Matters

Pending litigation and other matters as of June 30, 2023, include the following:

- On July 2, 2021, Cal/OSHA issued five citations to OCFA resulting from an accident that occurred on October 26, 2020. OCFA submitted its appeal of the citations on July 23, 2021. The Cal/OSHA Appeals Board has scheduled the next status conference on this matter for November 2023. If OCFA were to pay the citations as issued, the maximum amount of the potential loss would be \$90,500. A \$90,500 potential loss for this contingent legal matter is considered probable and has been recorded in the accompanying financial statements.
- OCFA is a defendant in a pending legal matter resulting from a 2021 automobile accident and personal injury claim brought forward by a member of the public. A jury trial in this matter is scheduled for December 2023. As of June 30, 2023, an unfavorable outcome in this case is reasonably possible based on discovery completed to-date. Financial exposure is estimated between \$250,000 and \$15 million, which exceeds OCFA's insurance coverage limits by \$5 million. A loss for this contingent legal matter has not been recorded in the accompanying financial statements.

**(17) Interfund Transfers**

Interfund transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. Interfund transfers for the year ended June 30, 2023, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,097,603	\$13,942,226
Communications and Information Systems	4,500,000	3,097,603
Fire Apparatus	<u>9,442,226</u>	-
Total	<u>\$17,039,829</u>	<u>\$17,039,829</u>

Transfers totaling \$13,942,226 were made from the General Fund to the Communications and Information Systems Fund (\$4,500,000) and the Fire Apparatus Fund (\$9,442,226), for current and future capital improvement projects identified in the Capital Improvement Plan.

Transfers totaling \$3,097,603 were made from the Communications and Information Systems Fund to the General Fund to fund the 10% Operating Contingency.

**(18) Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2023, is summarized in the table below.

Primary Government/ Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
Net pension liability:					
OCERS pension plan	\$ -	\$363,510,646	\$ (84,450,056)	\$279,060,590	\$ -
Extra Help pension plan	<u>49,576</u>	-	<u>(48,901)</u>	<u>675</u>	-
	49,576	363,510,646	(84,498,957)	279,061,265	-
Net OPEB liability	102,002,299	17,301,197	(7,703,732)	111,599,764	-
Compensated absences	20,241,600	19,755,791	(19,248,044)	20,749,347	4,730,160
Accrued claims and judgments for workers' compensation	127,833,360	27,202,953	(15,129,099)	139,907,214	16,558,042
Lease liabilities	4,894,651	18,711,118	(12,871,462)	10,734,307	5,886,589
Master equipment lease/purchase agreement	-	<u>57,882,120</u>	-	<u>57,882,120</u>	<u>2,770,492</u>
Total	<u>\$255,021,486</u>	<u>\$504,363,825</u>	<u>\$(139,451,294)</u>	<u>\$619,934,017</u>	<u>\$29,945,283</u>

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The master equipment lease/purchase agreement liability is liquidated by the Fire Apparatus Fund. All other long-term liabilities are normally liquidated by the General Fund.

**(19) Compensated Absences**

OCFA is obligated to its employees for accumulated earned but unused leave benefits as of June 30, 2023. Sick leave includes only those amounts that OCFA is obligated to reimburse employees at the end of their active service life. Leave balances by employee type are as follows as of June 30, 2023:

	<u>Vacation</u>	<u>Comp/Other</u>	<u>Sick Leave</u>	<u>Total</u>
Safety Members	\$12,482,448	\$209,508	\$ 2,182,268	\$14,874,224
General Members	<u>3,183,588</u>	<u>640,089</u>	<u>2,051,446</u>	<u>5,875,123</u>
Total	<u>\$15,666,036</u>	<u>\$849,597</u>	<u>\$4,233,714</u>	<u>\$20,749,347</u>

**(20) Insurance and Accrued Claims and Judgments**

**(a) Insurance Coverage Limits**

OCFA has purchased commercial insurance coverage for general and auto liabilities, and excess coverage for the self-insured workers compensation. Coverage limits for Fiscal Year 2022/23 included the following:

Property:

Real Property (Building)	Guaranteed Replacement Cost
Personal Property (Contents)	Per Schedule on File with the Carrier
Deductible	\$1,000 - \$5,000

Crime:

Employee Dishonesty	\$1,000,000
Forgery or Alteration	\$1,000,000
Faithful Performance of Duty	\$1,000,000
Computer Fraud	\$1,000,000
Deductible	\$1,000

Portable Equipment:

Valuation	Guaranteed Replacement Cost
Deductible	\$1,000

General Liability:

Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Fire Damage Legal Liability	\$1,000,000
Medical Expense (each accident)	\$10,000
Garage Keepers Liability	\$500,000
General Annual Aggregate	\$10,000,000

Management Liability:

Each Wrongful Act	\$1,000,000
General Annual Aggregate	\$10,000,000
Defense Expense Injunctive Relief	\$50,000
Deductible Each Wrongful Act	\$7,500

Automobile:

Bodily Injury or Property Damage	\$1,000,000
Uninsured/Underinsured Motorist	\$1,000,000
Automobile Physical Damage	Agreed Value on File with Carrier
Deductible	\$1,000 Passenger Vehicles; \$5,000 Apparatus

Cyber Liability:

First Party Liability	\$100,000
Third Party Liability	\$1,000,000

Umbrella (Excess) Liability:	
Each Occurrence or Wrongful Act	\$9,000,000
General Aggregate	\$20,000,000
Excess Workers Compensation	Statutory Limits

During Fiscal Year 2022/23, the deductible for management liability decreased from \$250,000 to \$7,500 per wrongful act, as compared to the prior fiscal year. Settlements have not exceeded coverage in each of the past three fiscal years.

**(b) Workers' Compensation Self-Insurance**

OCFA transitioned its program for workers' compensation insurance from Guaranteed Cost to Self-Insurance effective March 1, 2002. OCFA's self-insurance program covers workers' compensation claims up to \$50,000,000, subject to a \$2,000,000 self-insured retention (SIR) per incident. Workers' compensation claims in excess of the self-insured level are insured by the California State Association of Counties Excess Insurance Authority (CSAC-EIA) at statutory limits. OCFA utilizes the services of a third-party claims administrator for administration of workers' compensation claims.

As of June 30, 2023, accrued claims and judgments for workers' compensation totaled \$139,907,214 and were recorded as a long-term liability in the government-wide financial statements. This liability reflects the present value of estimated outstanding losses at the 50% confidence level, as determined by an actuarial valuation dated June 30, 2023, and includes claims that have been incurred but not yet reported (IBNR's). A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 50% confidence level means that the actuary believes funding will be sufficient in five years out of ten. On May 27, 2010, the Board of Directors authorized to change the OCFA's confidence level from 80% to 50%. Changes in accrued claims and judgments relating to workers' compensation self-insurance for the years ended June 30, 2023 and 2022, are as follows:

Primary Government/ Governmental Activities	Fiscal Year Ended	
	June 30, 2023	June 30, 2022
Unpaid claims at beginning of fiscal year	\$127,833,360	\$115,295,275
Incurred claims (including IBNR's)	27,202,953	26,292,155
Claim payments	<u>(15,129,099)</u>	<u>(13,754,070)</u>
Unpaid claims at end of fiscal year	<u>\$139,907,214</u>	<u>\$127,833,360</u>
Due within one year	\$ 16,558,042	\$ 15,249,792
Due in more than one year	<u>123,349,172</u>	<u>112,583,568</u>
Unpaid claims at end of fiscal year	<u>\$139,907,214</u>	<u>\$127,833,360</u>
Confidence level at end of fiscal year	50%	50%
Discount rate	2%	2%

Because of the long-term nature of this liability, it is excluded from the OCFA's governmental fund financial statements under the modified accrual basis of accounting. However, OCFA has established a fund balance assignment for workers' compensation in the General Fund in the amount of \$143,334,044. This assignment reflects the cumulative difference for multiple years between actual expenditures and budgeted costs, which are based on the annual actuarial valuation. Actual expenditures for workers' compensation cases often occur over multiple years, attributing to the cumulative difference between budgeted costs and expenditures.

**(21) Lessee in Lease Agreements (Lease Liabilities)**

**(a) General Information about the Leases**

OCFA was obligated as a lessee under the following lease agreements during the year ended June 30, 2023:

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Lease Terms	Helicopter Tower	Copiers	Aircraft	Land Lease
Lessor	FW Aviation, LLC	Cell Business Equipment	Coulson Aviation (USA) Inc.	City of Fullerton
Purpose	Helicopter tower at Fullerton Airport for training and storage	RFOTC and fire station copiers and accessories	Aircraft for use in Quick Reaction Force Program (CH-47 Very Large Helitanker; S-61 Helitanker; S-76 Aerial Supervision Aircraft)	Real property land lease at Fullerton Airport
Major Class of Underlying Assets	Right-to-use lease buildings	Right-to-use lease equipment	Right-to-use lease equipment	Right-to-use lease land
Lease Date	August 25, 2011; Amended September 1, 2021	December 22, 2016; Amended April 1, 2022	June 23, 2022; Amended December 16, 2022	June 14, 2010
Initial Lease Term	Ten years commencing September 2011 through August 2021	Five years commencing April 2017 through March 2022	June 24, 2022 – December 31, 2023 (556 days), as amended	Forty years commencing January 2011 (Eastern Half) and July 2013 (Western Half) through December 2050
Optional Extended Lease Term	Ten-year option to extend for a total of twenty years through August 2031	Continue on a month-to-month basis for one year through March 2023	N/A	Fifteen-year option to extend for a total of fifty-five years through December 2065
Initial Lease Payment	Monthly payments totaling \$1,575 consisting of base rent (\$1,308) and common area (\$267)	Monthly payments totaling \$5,962	Boeing CH-47 \$33,600/day (June 24, 2022 – October 31, 2022) Sikorsky S-61 \$22,050/day (November 1, 2022 – December 6, 2022 substitute) Sikorsky S-76 \$10,500/day (July 1, 2022 – December 12, 2022)	Monthly payments of \$2,886 (Eastern Half) and \$2,070 (Western Half)
Amended Lease Payment	Monthly payments totaling \$1,755 consisting of base rent (\$1,480) and common area (\$285)	Month-to-month payments totaling \$5,500 plus taxes	Boeing CH-47 \$24,382/day (December 6, 2022 – December 31, 2023) Sikorsky S-61 \$24,386/day (December 7, 2022 – December 31, 2023 substitute) Sikorsky S-76 \$7,760/day (December 13, 2022 – December 31, 2023)	N/A

Lease Terms	Helicopter Tower	Copiers	Aircraft	Land Lease
Rent Increases	Base rent increases annually by \$18 for the first ten years. Base rent increases 2.5% per year beginning September 2022. Common area rent increases 5.0% beginning September 2022 and 3.0% annually beginning September 2023.	Pricing adjusted annually for any additional copiers or accessories added over the term of the lease	N/A	Increase annually by an amount equal to the change in the consumer price index, for a minimum of 3% to a maximum of 5%
Adjusted Lease Payment as of June 30, 2023	\$1,807 monthly	\$6,022 monthly	\$964,379 for June 2023	\$7,131 monthly
Due Date	Monthly on the 1 <sup>st</sup>	Monthly within 30 days of invoice	Billed weekly and due within 14 days from receipt of invoice	Payable monthly in advance on the 1 <sup>st</sup>
Implicit Rate	N/A	6.192%	N/A	N/A
Other Variable Payments Not Included in the Measurement of the Lease Liability	None	Per-copy overage fees billed quarterly at rate of \$.0049 (black/white) and \$.0443 (color)	Flight hours billed separately: Boeing CH-47 \$9,007 - \$10,462/hour; Sikorsky S-61 \$5,420 - \$6,083/hour; Sikorsky S-76 \$3,841 - \$3,969/hour	None

**(b) Right-to-Use Lease Assets**

Right-to-use lease assets included the following as of June 30, 2023:

Lease	Major Class of Underlying Assets	Amount of Lease Capital Assets	Accumulated Amortization
Helicopter tower	Right-to-use lease buildings	\$ 251,578	\$ 66,534
Copiers	Right-to-use lease equipment	174,672	174,672
Aircraft	Right-to-use lease equipment	18,711,118	12,474,096
Land lease	Right-to-use lease land	<u>4,679,622</u>	<u>312,048</u>
Total		<u>\$23,816,990</u>	<u>\$13,027,350</u>

A remeasurement adjustment in the amount of \$18,711,118 increased the amount of the lease aircraft asset during Fiscal Year 2022/23.

**(c) Outflows of Resources for Variable Payments**

Outflows of resources recognized in Fiscal Year 2022/23 for variable payments not included in the measurement of the lease liability consisted of the following:

Outflows of Resources	Amount
Copy overage and relocation fees	\$75,700
Aircraft flight hours	\$819,441



**(d) Principal and Interest Requirements**

Future principal and interest requirements to maturity for each lease liability as of June 30, 2023, are as follows:

Helicopter Tower			
Fiscal Year(s)	Principal	Interest	Total
2023/24	\$ 21,224	\$ 930	\$ 22,154
2024/25	21,906	822	22,728
2025/26	22,614	710	23,324
2026/27	23,340	594	23,934
2027/28	24,081	475	24,556
2028/29 - 2031/32	<u>81,318</u>	<u>672</u>	<u>81,990</u>
Total	<u>\$194,483</u>	<u>\$4,203</u>	<u>\$198,686</u>

Aircraft			
Fiscal Year(s)	Principal	Interest	Total
2023/24	<u>\$5,861,483</u>	<u>\$53,731</u>	<u>\$5,915,214</u>
Total	<u>\$5,861,483</u>	<u>\$53,731</u>	<u>\$5,915,214</u>

Land Lease			
Fiscal Year(s)	Principal	Interest	Total
2023/24	\$ 3,882	\$ 83,754	\$ 87,636
2024/25	6,613	83,663	90,276
2025/26	9,452	83,524	92,976
2026/27	12,432	83,328	95,760
2027/28	15,548	83,080	98,628
2028/29 - 2032/33	129,783	409,581	539,364
2033/34 - 2037/38	231,616	393,644	625,260
2038/39 - 2042/43	357,318	367,554	724,872
2043/44 - 2047/48	511,319	329,005	840,324
2048/49 - 2052/53	698,884	275,216	974,100
2053/54 - 2057/58	926,331	202,941	1,129,272
2058/59 - 2062/63	1,200,852	108,276	1,309,128
2063/64 - 2067/68	<u>574,311</u>	<u>5,973</u>	<u>580,284</u>
Total	<u>\$4,678,341</u>	<u>\$2,509,539</u>	<u>\$7,187,880</u>

**(22) Master Equipment Lease/Purchase Agreement – 2022**

On November 3, 2022, OCFA entered into a Master Equipment Lease/Purchase Agreement (Agreement) with Banc of America Public Capital Corp (Banc of America) for financing in the amount of \$57,882,120. Under the terms of the Agreement, the net debt proceeds were deposited into an escrow account at Wilmington Trust for the purpose of acquiring and installing two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training.

Under the terms of the Agreement, Banc of America leases the equipment to OCFA at an annual interest rate of 3.1379%. Rental payments are payable annually commencing January 10, 2024. Title to the equipment vests with OCFA during the term of the Agreement; accordingly, the lease has been recorded as a long-term liability OCFA. During the year ended June 30, 2023, OCFA made principal payments totaling \$0. The outstanding balance of master equipment lease/purchase agreement liability was \$57,882,120 as of June 30, 2023. The annual lease payment requirements as of June 30, 2023, are as follows:

Master Equipment Lease/Purchase Agreement

Fiscal Year	Principal	Interest	Total
2023/24	\$ 2,770,492	\$ 2,154,314	\$ 4,924,806
2024/25	3,195,458	1,729,348	4,924,806
2025/26	3,295,729	1,629,077	4,924,806
2026/27	3,399,145	1,525,661	4,924,806
2027/28	3,505,807	1,418,999	4,924,806
2028/29	3,615,816	1,308,990	4,924,806
2029/30	3,729,276	1,195,530	4,924,806
2030/31	3,846,297	1,078,509	4,924,806
2031/32	3,966,990	957,816	4,924,806
2032/33	4,091,470	833,336	4,924,806
2033/34	4,219,857	704,949	4,924,806
2034/35	4,352,272	572,534	4,924,806
2035/36	4,488,842	435,964	4,924,806
2036/37	4,629,697	295,109	4,924,806
2037/38	<u>4,774,972</u>	<u>149,834</u>	<u>4,924,806</u>
Total	<u>\$57,882,120</u>	<u>\$15,989,970</u>	<u>\$73,872,090</u>

During Fiscal Year 2022/23, OCFA recognized the following debt-funded expenditures in the Fire Apparatus Fund:

Description	Issuance Costs	Helicopters and Related Equipment	Training	Total
80% progress payment	\$ -	\$44,697,584	\$ -	\$44,697,584
Performance bond	-	838,080	-	838,080
Financial advisor	22,592	-	-	22,592
Special legal counsel	15,500	-	-	15,500
Other fees	5,000	-	-	5,000
Training courses	-	-	<u>\$97,635</u>	<u>97,635</u>
Total	<u>\$43,092</u>	<u>\$45,535,664</u>	<u>\$97,635</u>	<u>\$45,676,391</u>

The escrow account had a balance of \$12,579,350 as of June 30, 2023. The helicopters and related equipment have been capitalized as work in progress in the government-wide financial statements since they have not yet been placed into service.

**(23) Summary of Pension Plans and Other Postemployment Benefits (OPEB)**

OCFA participates in two defined benefit pension plans that are administered through a trust or equivalent arrangement. Additional plan information is provided within these notes as Note 24 and Note 25. OCFA also provides other postemployment benefits (OPEB) through the Retiree Medical Plan. Additional plan information is provided within these notes as Note 26. Following is a summary of plan balances as of and for the year ended June 30, 2023:

Description	Net Pension/ OPEB Liability	Deferred Outflows of Resources Related to Pensions/ OPEB	Deferred Inflows of Resources Related to Pensions/ OPEB	Pension/ OPEB Expense (Credit)
OCERS Pension Plan	\$279,060,590	\$228,140,263	\$ 51,603,321	\$59,281,387
Extra Help Pension Plan	<u>675</u>	<u>1,051</u>	-	<u>(47,932)</u>
Subtotal	279,061,265	228,141,314	51,603,321	59,233,455
OPEB	<u>111,599,764</u>	<u>39,970,864</u>	<u>94,874,302</u>	<u>(23,871,945)</u>
Total	<u>\$390,661,029</u>	<u>\$268,112,178</u>	<u>\$146,477,623</u>	<u>\$35,361,510</u>

**(24) Retirement Plan for Full-Time Employees**

(a) General Information about the Plan

Plan Description and Administration

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan for the County of Orange, the City of San Juan Capistrano, and thirteen other agencies – Orange County Cemetery District; Orange County Children and Families Commission; Orange County Department of Education; Orange County Employees Retirement System; Orange County Fire Authority (OCFA); Orange County In-Home Supportive Services Public Authority; Orange County Local Agency Formation Commission; Orange County Public Law Library; Orange County Sanitation District; Superior Court of California; Orange County Transportation Authority; Transportation Corridor Agencies; and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation and only the latter has remaining active employees. Capistrano Beach, Cypress Recreation & Parks District, Orange County Vector Control District, and the City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the OCERS system. OCERS is legally and fiscally independent of the County of Orange.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937. OCERS is governed by a ten-member Board of Retirement, including nine voting members and one alternate member. Board membership consists of four members appointed by the County of Orange Board of Supervisors and five members elected by the members of the pension system – two by the general members, two by the safety members (one voting and one alternate), and one by the retired members. The County of Orange Treasurer-Tax Collector, who is elected by the voters registered in the county, serves as an ex-officio member. The OCERS Board of Retirement is responsible for establishing policies governing the administration of the retirement plan; making disability determinations; assuring benefit payments; establishing investment policy for the retirement system; and monitoring execution of its policies. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

Benefits Provided

OCERS provides retirement, disability, and death benefits to safety and general members. Safety membership includes those members serving in active law enforcement, fire suppression, and as probation officers. General membership applies to all other occupations. Plan retirement benefits are tiered based upon date of OCERS membership. Tier I members were hired prior to September 21, 1979, and use their highest one-year average salary to determine their retirement allowance. Tier II members were hired on or after September 21, 1979, and use their highest three-year average salary to determine their retirement allowance. Member rate groups are determined by employer, bargaining unit, and benefit plan. The benefit plan represents the benefit formula and tier that will be used in calculating a retirement benefit. All regular employees scheduled to work twenty hours or more per week become members of the plan upon commencing employment with one of OCERS' plan sponsors, with the exception of a provision adopted in 2014 that allows new members over the age of 65 to opt out of the plan. Active members are vested in OCERS upon accumulating five years of accredited service or attaining the age of 70.

On September 12, 2012, California Governor Brown signed Assembly Bill 340, which created the California Public Employees' Pension Reform Act of 2012 (PEPRA) and amended sections of the 1937 Act under which OCERS operates. The law created a benefit tier for new employees entering public agency employment and public retirement system membership, effective January 1, 2013. One of the many changes brought about by PEPRA involved new retirement formulas for newly hired employees who do not establish reciprocity with OCERS. Another change brought about by PEPRA requires employees who do not establish reciprocity to pay 50% of the normal retirement costs from the beginning of their employment.

In general, the retirement benefits received by members are determined by plan formula, age at retirement, years of service, and final average salary. Members are entitled to receive a retirement allowance upon reaching the following years of service and age criteria:

Years of Service Credit	Eligible Age
10 or more	Age 50
5 or more (PEPRA Members)	Age 50
30 or more (General Members)	Any age
20 or more (Safety Members)	Any age
5 or more, and at least 10 years of active employment with a sponsoring agency covered by OCERS (Part-time Members)	Age 55
Any	Age 70

Retired member monthly allowances are adjusted annually in accordance with changes in the cost-of-living, as determined by the average annual change in the Consumer Price Index (CPI) for the prior calendar year. The cost-of-living adjustment is limited to a maximum increase or decrease of three percent per year as established by the OCERS Board of Retirement.

The OCFA's Board establishes and amends benefit plan formulas for active OCFA members through negotiations with its labor bargaining units. The provisions and benefits provided by OCFA to its safety and general members as of June 30, 2023, are summarized below:

Benefits Provided to Safety Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Professional Firefighters Association	Orange County Fire Authority Chief Officers Association	Unrepresented
			Firefighter Unit	Fire Management Unit	Executive Management in Safety Positions
F	II	3.0% at 50	Prior to 7/1/2012	Prior to 7/1/2012	Prior to 7/1/2011
R	II	3.0% at 55	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2011 (with reciprocity)
V	II	2.7% at 57 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Benefits Provided to General Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Employees Association	Orange County Fire Authority Managers Association	Unrepresented
			General and Supervisory Management	Administrative Management	Executive Management in General Positions
J	II	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
N	II	2.0% at 55	On or After 7/1/2011 (with reciprocity)	On or After 12/1/2012 (with reciprocity)	On or After 12/1/2012 (with reciprocity)
U	II	2.5% at 67 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

**Contributions**

Each year, an actuarial valuation is performed for OCERS to determine funding contributions for each agency member within their assigned rate group and plan on an actuarial basis. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability (UAAL). The table below summarizes OCFA's required employer contribution rates and employee rates (remitted by OCFA) for the year ended June 30, 2023:

Category	Plan	Tier	Benefit Formula	Employer Contribution Rates			Employee Contribution Rates (See Below)
				Normal Cost	UAAL	Total	
Safety	F	II	3.0% at 50	27.31%	16.36%	43.67%	14.66% - 21.08%
Safety	R	II	3.0% at 55	27.25%	16.36%	43.61%	14.48% - 20.82%
Safety	V	II	2.7% at 57 (PEPRA)	15.11%	16.36%	31.47%	12.57% - 20.22%
General	J	II	2.7% at 55	15.22%	11.49%	26.71%	9.87% - 17.10%
General	N	II	2.0% at 55	16.83%	11.49%	28.32%	7.70% - 14.56%
General	U	II	2.5% at 67 (PEPRA)	9.82%	11.49%	21.31%	7.78% - 15.04%

Employees in each unit have agreed through their respective Memorandums of Understanding or Personnel and Salary Resolution to pay their full employee share of retirement costs. The retirement payment is deducted from the employee's compensation earnable and continues throughout the employee's entire term of employment with OCFA. Employee contribution rates vary depending on the individual employee's hire date and unit and are summarized below for the year ended June 30, 2023.

Employee Hire Date	Benefit Formula	Employee Contribution Rate
<i>Safety – Firefighter Unit</i>		
Prior to 1/1/2011	3.0% at 50	50% of Normal Cost <sup>^</sup> , Less a 2% Health Care Converted Retirement Contribution (HCRC)
1/1/2011 - 6/30/2012	3.0% at 50	50% of Normal Cost <sup>^</sup>
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost <sup>^</sup>
<i>Safety – Firefighter Management Unit</i>		
Prior to 7/1/2012	3.0% at 50	50% of Normal Cost <sup>^</sup>
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost <sup>^</sup>
<i>Safety – Executive Management</i>		
Prior to 7/1/2011	3.0% at 50	50% of Normal Cost <sup>^</sup>
On or After 7/1/2011 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost <sup>^</sup>
<i>General – General and Supervisory Management</i>		
Prior to 7/1/2011	2.7% at 55	50% of Normal Cost <sup>^</sup>
On or After 7/1/2011 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost <sup>^</sup>
<i>General – Administrative Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost <sup>^</sup>
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost <sup>^</sup>
<i>General – Executive Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost <sup>^</sup>
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost <sup>^</sup>

<sup>^</sup> Capped at maximum employee contribution as required by OCERS

For the year ended June 30, 2023, employer and employee contributions remitted to OCERS were as follows:

	Employer Contributions	Employee Contributions	Total Contributions
Contributions paid (credited) by OCFA	\$84,450,056	\$ -	\$ 84,450,056
Contributions paid by employees	-	29,155,069	29,155,069
Total	<u>\$84,450,056</u>	<u>\$29,155,069</u>	<u>\$113,605,125</u>

**(b) Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources**

OCFA's net pension liability (asset) with OCERS is measured as the proportionate share of the net pension liability (asset). The net pension liability (asset) of each member agency is measured as of December 31, 2022, and the total pension liability (asset) for each member agency used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022, using standard update procedures. OCFA's proportion of the net pension liability (asset) was based on a projection of OCFA's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined.

OCFA's proportionate share of the total OCERS net pension liability (asset) as of June 30, 2023 and 2022 was as follows:

Member Type	OCFA's Proportionate Share of the Total OCERS Net Pension Liability (Asset)					
	At June 30, 2022		Increase (Decrease)		At June 30, 2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Safety	\$ (91,979,085)	(4.5%)	\$333,484,029	9.0%	\$241,504,944	4.5%
General	(12,928,328)	(0.6%)	50,483,974	1.3%	37,555,646	0.7%
Total	<u>\$(104,907,413)</u>	<u>(5.1%)</u>	<u>\$383,968,003</u>	<u>10.3%</u>	<u>\$279,060,590</u>	<u>5.2%</u>

For the year ended June 30, 2023, OCFA recognized pension expense (credit) of \$59,281,387. At June 30, 2023, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the Total Pension Liability	\$ 44,228,199	\$(21,455,804)
Changes in assumptions	1,263,564	(30,147,517)
Net differences between projected and actual earnings on plan investments	<u>126,908,500</u>	-
	172,400,263	(51,603,321)
Employer contributions subsequent to measurement date	<u>55,740,000</u>	-
Total	<u>\$228,140,263</u>	<u>\$(51,603,321)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$55,740,000 will be recognized as a reduction of (addition to) the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will also be recognized as an adjustment to pension expense as follows:

Year Ended June 30	Amount
2024	\$(12,576,483)
2025	14,217,846
2026	33,349,071
2027	83,817,228
2028	<u>1,989,280</u>
Total	<u>\$120,796,942</u>

(c) Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021	
Measurement Date	December 31, 2022, rolled forward on an actuarial basis	
Actuarial Cost Method	Entry age actuarial cost method (normal)	
Discount rate	7.00%	
Inflation	2.50%	
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	
Salary increases	Across the board salary increases of 0.50%, adjusted for inflation at 2.5% per year, plus merit and promotion increases that vary by type and years of service, including 1.60% - 12.0% (Safety) and 1.00% - 8.00% (General)	
Date of experience study	Actuarial assumptions were based on the results of an experience study for the period January 1, 2017 through December 31, 2019.	
Mortality:	Safety	General
• Healthy	Pub-2010 Safety Retiree Amount-Weighted Above-Median Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
• Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (male and female) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
• Beneficiaries	Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	

The Pub-2010 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% and 7.00% as of December 31, 2022, and December 31, 2021, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022, and December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

The target allocation (approved by the OCERS Retirement Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA – Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	<u>2.50%</u>	2.50%
Total	<u>100.0%</u>	

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents OCFA’s proportionate share of the net pension liability (asset) with OCERS, calculated using the discount rate of 7.00%, as well as what OCFA’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total proportionate share of net pension liability (asset)	<u>\$628,822,571</u>	<u>\$279,060,590</u>	<u>\$(6,229,556)</u>

(d) Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OCERS financial report.

**(25) Retirement Plan for Part-Time Employees**

(a) General Information About the Plan

*Plan Description and Administration*

OCFA administers the Extra Help Retirement Plan (Plan), a single-employer defined benefit pension plan that provides retirement benefits for its less than half-time and extra help employees. The Plan was established on January 1, 1997,



and is accounted for in the Extra Help Retirement Plan fiduciary fund. The Board establishes and amends all Plan provisions, and has the authority to change contribution rates and investment types. A separate, audited pension plan report is not available. Effective July 1, 2018, the Plan is closed to new entrants and all eligible extra help employees hired by OCFA are enrolled as participants in a 457(OBRA) Deferred Compensation Plan in lieu of the Extra Help Retirement Plan.

Benefits Provided

The Plan provides retirement benefits in the form of a lifetime annuity. Retirement benefits are calculated at the rate of 2% of career earnings during the first thirty years of credited service. Upon retirement, participants are eligible to receive their benefit either as a lump sum payment or as a monthly payment. If employment with OCFA is terminated prior to retirement and the value of the employee’s contributions with interest is \$3,500 or less, the employee may receive an immediate lump sum distribution in lieu of any future benefits payable under the Plan. If the value of the terminated employee’s contributions with interest exceeds \$3,500, the employee may elect to receive a lump sum distribution or leave the contributions on deposit until he or she reaches retirement age. During the year ended June 30, 2023, there were six lump sum distributions totaling \$33,302 made to participants. Currently, there are no participants collecting retirement benefits.

Plan Membership

As of June 30, 2023, Plan membership consisted of the following:

Plan Members (or Beneficiaries)	Balance as of June 30, 2023		
	\$3,500 or Less	More than \$3,500	Total
Inactive; currently receiving benefits	-	-	-
Inactive; entitled to but not yet receiving benefits	31	1	32
Active	-	-	-
Total	<u>31</u>	<u>1</u>	<u>32</u>

Contributions

All eligible half-time and extra help employees hired on or after January 1, 1997, are required to contribute a percentage of compensation corresponding to an age-based table included in the Plan. Age is determined as attained age on every January 1. Employee contributions rates range from 2.5% to 7.5% based on age. After 30 years of credited service, OCFA is responsible for the employee’s Plan contributions. As of June 30, 2023, there are no longer any active participants contributing to the Plan.

Cumulative employee contributions are credited with 5% interest compounded semi-annually. Any interest earnings credited to the Plan in excess of actual investment earnings are reported as employer contributions. During the year ended June 30, 2023, employer contributions totaled \$540.

(b) Investments

Method Used to Value Investments

All Plan assets are invested in the Local Agency Investment Fund (LAIF), which is reported based on OCFA’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Investment Policy

Contributions are deposited into OCFA’s Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. Additional LAIF information is provided within these notes as Note 4(d).

Concentrations

All Plan assets are invested in the Local Agency Investment Fund (LAIF).

(c) Net Pension Liability

Net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The Plan’s fiduciary net pension liability is measured as of June 30, 2023, using an actuarial valuation as of January 1, 2023, rolled forward to June 30, 2023, using standard update procedures. A summary of components of the Plan’s net pension liability as of June 30, 2023, is shown below, followed by principal assumptions and methods used to determine the net pension liability.

Total pension liability	\$19,233
Plan fiduciary net position	<u>(18,558)</u>
Net pension liability	<u>\$ 675</u>
Plan fiduciary net position as a % of the total pension liability	96.49%

Actuarial Assumptions

Actuarial calculations reflect a long-term perspective. Calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the pattern of sharing of costs between the OCFA and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total pension liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2023
Measurement Date	June 30, 2023, rolled forward on an actuarial basis
Actuarial Cost Method	Entry age normal
Discount rate	3.90% per annum; average (rounded to 5 basis points) of three 20-year municipal bond rate indices as of June 30, 2023: S&P Municipal Bond 20-Year High Grade Rate Index, Bond-Buyer 20-Bond GO Index, and 20-Year Yield of the Fidelity Municipal General Obligation AA Curve
Inflation	2.75%
Investment rate of return	3.90%
Mortality	PubS2010 mortality table with generational improvements based on the MP-2021 scale. As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
Experience study	Given the size of the plan, there was not enough data available to conduct a credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. Liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.
Form of payment	Participants who have 5 years or less of credited service or have a contribution balance less than or equal to \$3,500 are assumed to take an immediate lump sum upon termination or retirement. Participants who have worked more than 5 years or have attained age 55 are assumed to commence a modified cash refund annuity starting at age 65. As the plan is not large enough to have credible experience, forms of payment are based on professional judgment and expectations based on the provisions of the plan.
Retirement	100% retirement at age 65. Due to the size of the plan, use of an assumption more than a single point estimate is not merited.

Termination	Service 0 years, Rate 30%; Service 1-3 years, Rate 50%; Service 4 years, Rate 25%; Service 5+ years, Rate 5%
Plan Assets	The employee contributions are deposited into the Authority's LAIF account. The LAIF account is managed by the State Treasurer's Office and is invested in fixed income securities.

Changes of Assumptions

Following is a comparison of actuarial assumptions for the years ended June 30, 2023 and 2022:

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>	<u>Change</u>
Discount rate	3.90%	3.75%	0.15%
Inflation	2.75%	2.75%	n/a
Investment rate of return	3.90%	3.75%	0.15%
Salary increases	n/a	3.00%	n/a

Discount Rate

The discount rate used to measure the total pension liability was 3.90% (an increase of 0.15% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Local Agency Investment Fund	100.00%	3.90%

The annual money-weighted rate of return was 3.45%, and was an estimate based on mid-year timing of contributions and benefit payments. The money rated rate of return expresses investment performance, net of pension plan investment expenses, adjusted for changing amounts actually invested.

(d) Changes in the Net Pension Liability

Changes in the Plan's net pension liability for the year ended June 30, 2023, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2022	<u>\$99,730</u>	<u>\$50,154</u>	<u>\$49,576</u>
Changes in the year:			
Interest	3,115	-	3,115
Differences between expected and actual experience	(50,185)	-	(50,185)
Changes of assumptions	(125)	-	(125)
Contributions – employer	-	540	(540)
Net investment income	-	1,166	(1,166)
Benefit payments, including refunds of employee contributions	<u>(33,302)</u>	<u>(33,302)</u>	<u>-</u>
Net changes	<u>(80,497)</u>	<u>(31,596)</u>	<u>(48,901)</u>
Balance at June 30, 2023	<u>\$19,233</u>	<u>\$18,558</u>	<u>\$ 675</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset), calculated using the discount rate of 3.90%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (2.90%) or one percentage point higher (4.90%) than the current rate:

	1% Decrease (2.90%)	Current Discount Rate (3.90%)	1% Increase (4.90%)
Net pension liability	<u>\$1,556</u>	<u>\$675</u>	<u>\$(112)</u>

(e) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, OCFA recognized pension expense (credit) of \$(47,932). At June 30, 2023, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the Total Pension Liability	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	<u>1,051</u>	<u>-</u>
Total	<u>\$1,051</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an adjustment to pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2024	\$ 462
2025	376
2026	193
2027	<u>20</u>
Total	<u>\$1,051</u>

Annual Comprehensive Financial Report

(f) Pension Plan Fiduciary Net Position

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan’s financial statements as of and for the year ending June 30, 2023.

	<u>Extra Help Retirement</u>
Assets:	
Cash and investments:	
Local Agency Investment Fund:	
Domestic fixed income	\$18,558
Total assets	<u>18,558</u>
Net position restricted for pensions	<u>\$18,558</u>
Additions:	
Contributions:	
Employer	\$ 540
Total contributions	<u>540</u>
Net investment income:	
Total investment income	<u>1,166</u>
Total net investment income	<u>1,166</u>
Total additions	<u>1,706</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	<u>33,302</u>
Total deductions	<u>33,302</u>
Change in net position	(31,596)
Net position, beginning of year	<u>50,154</u>
Net position, end of year	<u>\$18,558</u>

**(26) Other Postemployment Benefits (OPEB)**

(a) General Information

Plan Description and Administration

OCFA provides other postemployment benefits (OPEB), such as healthcare benefits to eligible retirees and their dependents, through the Retiree Medical Plan (Plan). The purpose of the Plan is to assist employees hired prior to January 1, 2007, in maintaining health insurance coverage following their retirement by providing a monthly grant applied toward the cost of such health insurance coverage. The Plan is intended to qualify for the exclusion from income as an accident or health plan under sections 105(e) and 106 of the Internal Revenue Code. Employee participation is contingent on a contribution of 4% of base salary through payroll deductions to OCFA. OCFA has entered into Memorandum of Understanding with each of its four labor bargaining groups mandating this 4% employee contribution.

The single-employer Plan was established by OCFA’s Board of Directors on January 1, 1997, and amended on September 28, 2006. OCFA’s Board of Directors is the Plan’s Board, establishing and amending all Plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups. OCFA may terminate the Plan by action of its Board of Directors in its sole discretion. Amendment or termination of the plan is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS). Funds are held in a trust account established pursuant to Section

401(h) of the Internal Revenue Code and are held separate from the assets of the OCERS retirement system, except for investment purposes. The trust is presented in accordance with the Plan year, which is on a calendar basis ending December 31, 2022. The Plan's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (presented within the Fiduciary Funds of these financial statements) are reported as of the December 31, 2022 plan year-end date. A publicly available OCERS financial report, which includes the Plan's assets, can be obtained at 2223 Wellington Avenue, Santa Ana, California 92701. A separate, audited OPEB Plan report is not available.

All retirees and full-time employees hired on or after January 1, 2007, are not considered Plan participants; however, they are eligible to receive OPEB benefits in the form of employer contributions toward monthly healthcare premiums per the Public Employees' Medical and Hospital Care Act (PEMHCA). OCFA provides health insurance benefits to its employees and retirees through the California Public Employees' Retirement System (CalPERS), subject to the legal requirements of the PEMHCA. OCFA contributes toward the monthly payment of healthcare premiums on behalf of eligible retirees at an amount equal to the PEMHCA statutory minimum, which was \$149 for 2022 and \$151 for 2023. In addition, retirees and full-time employees hired on or after January 1, 2007, are eligible to participate in an employer-sponsored defined contribution plan. Additional information regarding the defined contribution benefit is provided within these notes as Note 27.

### Eligibility

All full-time or part-time employees who were hired prior to January 1, 2007, and who are credited with at least one year (2,080 hours) of service are eligible to participate in the Plan. An eligible employee, and his or her surviving dependents, will participate in the Plan upon his or her retirement or other termination of employment with OCFA, subject to the terms and conditions contained in the Plan, as applicable for "covered retirees" and "covered former employees."

- A "covered retiree" is a retiree who receives a monthly retirement allowance from the Orange County Employees Retirement System (OCERS) and who meets all coverage and participation requirements.
- A "covered former employee" is an employee who meets the coverage and participation requirements of the Plan at the time of his or her termination of employment with OCFA.

An employee who retires and does not immediately begin receiving a retirement allowance from OCERS will not participate in the Plan until such retirement allowance commences. An employee who terminates employment with OCFA for reasons other than retirement, or who is not eligible to receive a monthly retirement allowance from OCERS, will not be eligible to receive the grant until the age of fifty-five (55) and requests that OCFA commence distribution of the grant. Such requests must be made no later than ninety (90) days from the employee's fifty-fifth birthday.

To be eligible to receive the grant, a participant must be covered under a "qualified health plan" (covered retirees), a "recognized health insurance plan" (covered former employees), or Medicare. A "qualified health plan" is a health insurance plan made available to OCFA's employees and retirees, including an OCFA health plan or a plan administered by an employee organization that the OCFA has agreed will be a "qualified health plan." A "recognized health insurance plan" means a health insurance plan other than a "qualified health plan" covering a former employee or his/her surviving dependents and which is acceptable to OCFA.

Participation of a covered retiree, a covered former employee, or his or her surviving dependents may be terminated as follows:

- Participation of a covered retiree and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure to elect coverage under a "qualified health plan" or Medicare; (b) failure to make all required contributions or premium payments under a "qualified health plan;" (c) the participant's death; (d) amendment of the Plan to preclude such coverage; or (e) termination of the Plan.
- Participation of a covered former employee and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure or refusal to maintain and provide proof of

coverage under a “recognized health insurance plan” or Medicare; (b) the participant’s death; (c) amendment of the Plan to preclude such coverage; or (d) termination of the Plan.

If participation in the Plan is terminated, eligibility will be extinguished, years of service will be lost, and he or she may not later again participate in the Plan.

Benefit Provisions

The Plan provides a grant toward the cost of retirees’ health insurance coverage. The grant is equal to the product of the monthly grant amount multiplied by years of credited service, up to a maximum of twenty-five years.

- The amount of the monthly grant is adjusted annually by the average increase or decrease in OCFA’s health plan premiums, not to exceed 5% per year. The amount of the monthly grant was as follows for calendar years 2021 through 2023:

<u>Calendar Year</u>	<u>Monthly Grant Amount</u>	<u>% Increase</u>
2023	\$31.77	3.9%
2022	\$30.59	5.0%
2021	\$29.13	5.0%

- The grant is applied as a credit or reimbursement to reduce the cost of the retiree’s or former employee’s monthly medical insurance premium under his or her selected health plan. If the grant amount exceeds the cost of such coverage, it may be used to offset the cost of the Medicare premium. In no case may the grant exceed the actual cost of the combined health plan and Medicare premiums.
- A surviving dependent of an eligible retiree or former employee is eligible to receive a monthly survivor benefit equal to 50% of the grant that the retiree or covered former employee was eligible to receive at the time of his or her death. A surviving dependent is (a) a surviving spouse who was legally married to an employee, retiree, or covered former employee at the time of his or her death; or (b) a dependent child, as defined by an OCFA health plan or health plan of a covered former employee, of a deceased employee, retiree, or covered former employee.

Plan Membership

The Retiree Medical Plan is closed to new entrants. Plan membership consisted of the following at December 31, 2022, the date of the latest actuarial valuation:

<u>Plan Membership Status</u>	<u>Retiree Medical Plan (Hired Prior to January 1, 2007)</u>	<u>PEMHCA Eligible Employees (Hired on or After January 1, 2007)</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefit payments	902	5	907
Inactive plan members entitled to but not yet receiving benefit payments	29	-	29
Active plan members	<u>314</u>	<u>1,207</u>	<u>1,521</u>
Total	<u>1,245</u>	<u>1,212</u>	<u>2,457</u>

Contributions

Current, active employees who became employed by OCFA prior to January 1, 2007, are required to contribute 4% of their base salary through payroll deductions to OCFA, to be applied as employee contributions to the Plan, per the terms of the Plan, Memorandums of Understanding between OCFA and each of its four labor bargaining groups, and the

Personnel and Salary Resolution covering unrepresented employees. Employee participation in the Plan is contingent on this 4% payroll deduction.

At the time the Plan was implemented and subsequently amended in 2006, all OCFA classifications received a salary range adjustment, which was earmarked for the required employee contribution. Employees were not given the option to receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes.

OCFA may also make additional employer contributions to the Plan in amounts authorized to be contributed by the Board of Directors or as required by the following contractual agreements:

- OCFA has entered into a Health Plan Agreement with the Orange County Professional Firefighters Association (OCPFA) to contribute toward health benefits (including medical, dental, vision, life, and disability insurance benefits) for each actively employed member of the Firefighter Bargaining Unit. Any “excess fund balance” as determined by an annual calculation is credited toward OCFA’s monthly contribution. OCFA must then contribute an amount equal to the “excess fund balance” to its own Retiree Medical Plan.
- In September 2013, the Board approved several strategies, referred to as the “Snowball Plan,” to accelerate funding OCFA’s pension liability with the Orange County Employees Retirement System (OCERS). In November 2016, the Board modified the funding target for its pension liability from 100% to 85% and directed that any “Snowball Plan” dollars be redirected to the Retiree Medical Plan after achieving the 85% target. In August 2019, OCFA formalized its commitment to its “Snowball Plan” with the 4<sup>th</sup> Amendment to the Joint Powers Authority Agreement, which requires the Board to appropriate funds to its budget annually consistent with, or greater than, the budgetary payments called for in the “Snowball Plan,” except for instances of fiscal hardship defined as a substantial reduction in OCFA’s anticipated revenues and/or a significant increase in anticipated expenses that are beyond the reasonable control of the Board.

OCFA’s employer contributions to the Plan were as follows:

Type of Employer Contribution	Measurement Period Ending December 31, 2022	Fiscal Year Ending June 30, 2023
OCPFA Health Plan Agreement, Section 5	\$1,303,183	\$ 6,999,438
Snowball Plan	-	17,787,217
PEMHCA premiums paid directly by OCFA	<u>8,354</u>	<u>9,914</u>
Total cash contributions	1,311,537	24,796,569
Implicit subsidy	<u>1,927,231</u>	<u>1,742,170</u>
Total	<u>\$3,238,768</u>	<u>\$26,538,739</u>

**(b) Plan Investments**

Investment Policy

OCERS serves as trustee for the Plan’s assets as established under Internal Revenue Code Section 401(h). Health care assets for the 401(h) trusts are commingled with OCERS’ pension trust assets for investment purposes and are used exclusively to pay health benefits to OCFA’s eligible Plan members.

State Street Bank and Trust maintains custody of the majority of OCERS’ investments. The acquisition of investments is authorized by state statute and OCERS’ Investment Policy Statement. The allocation of investment assets is approved by OCERS’ Board of Retirement, as outlined in its Investment Policy Statement, and assets are invested solely for the benefit of plan participants and beneficiaries while attempting to minimize employer contributions and investment and administration costs. The Investment Policy Statement calls for an asset allocation plan that seeks to optimize long-term returns for the level of risk that the Board of Retirement considers appropriate. The Board of Retirement conducts a periodic review of the asset allocation plan to maintain an optimal allocation, and may also revise the asset allocation in



response to significantly changing market conditions that may affect valuations and forward-looking expected returns of asset classes.

Investments are reported at fair value, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application*. Plan investments consist of domestic, international and global equity securities; domestic fixed income; real estate; diversified credit; emerging markets equity and debt; real return strategies; absolute return strategies; and private equity. OCERS is authorized by its investment policy and state law to lend its investment securities, including global public equities, core fixed income, credit, and real assets to brokers/dealers in exchange for collateral in the form of either cash or securities.

The following was the Board of Retirement’s adopted asset allocation plan as of December 31, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equities	47.0%
Private Equities	13.0%
Real Assets	12.0%
Fixed Income	11.0%
Risk Mitigation	10.0%
Credit	<u>7.0%</u>
Total	<u>100.0%</u>

Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of OCERS’ investment in a single issuer. By policy, OCERS did not hold investments in any one issuer that represented five percent (5%) or more of net position and net investments during the year ended December 31, 2022. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this policy requirement.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on OCERS’ plan assets, net of investment expense, was -7.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

(c) Net OPEB Liability

Components of the Net OPEB Liability

Net OPEB liability is measured as the total OPEB liability, less the Plan’s fiduciary net position. The Plan’s fiduciary net position is measured as of December 31, 2022, using an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2022, using standard update procedures. A summary of components of the Plan’s net OPEB liability as of the measurement date is shown below, followed by principal assumptions and methods used to determine the net OPEB liability.

Total OPEB liability	\$162,613,799
Plan fiduciary net position	<u>(51,014,035)</u>
Net OPEB liability	<u>\$111,599,764</u>
Plan fiduciary net position as a % of the total OPEB liability	31.37%

Actuarial Assumptions

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022																																								
Measurement Date	December 31, 2022																																								
Actuarial Cost Method	Entry age normal																																								
Discount Rate	7.00%																																								
Investment Rate of Return	7.00%																																								
Payroll Growth	3.00% per year plus OCERS merit scale																																								
Inflation Rate	2.00%																																								
Funding Policy and Retiree Contributions	<ul style="list-style-type: none"> <li>• Partially prefund benefits through 4% employee contributions through a 401(h) account held in trust with OCERS</li> <li>• Intend to contribute additional snowball contributions based off of the pension plan's funded status</li> <li>• Retiree contributions are assumed to increase according to health care trend rates.</li> </ul>																																								
Healthcare Coverage Election Rate (Participation Rates)	100% of active and inactive employees eligible for the Plan grant are assumed to elect medical coverage at retirement. 35% of active employees eligible for the PEMHCA minimum required contribution are assumed to elect to continue coverage through PEMHCA at retirement.																																								
Spouse Coverage	Spouses are assumed for two-party and family coverage of current retirees. For future retirees, 65% of males and 25% of females are assumed to elect spousal coverage at retirement. Male spouses are assumed to be three years older than female spouses.																																								
Mortality	Mortality rates (for general and safety employees/retirees and surviving spouses) from the SOA Pub-2010 Headcount Weighted Mortality Tables for General, Public Safety, and Continuing Survivor projected fully generational using Scale MP-2021																																								
Turnover Rate	<p>Termination rates are based on rates used by the most recent OCERS actuarial valuation and represent the probability of voluntary and involuntary termination prior to meeting the minimum retirement eligibility for retiree healthcare coverage in the next twelve months. Employees who terminate are assumed to elect to receive benefits at the later of current age or first age eligible to receive grant benefits as a terminated employee (age 55).</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: center;"><u>General</u></th> <th style="text-align: center;"><u>Safety</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">11.00%</td> <td style="text-align: center;">4.25%</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">4.50%</td> <td style="text-align: center;">1.25%</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">2.50%</td> <td style="text-align: center;">0.80%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">1.40%</td> <td style="text-align: center;">0.55%</td> </tr> <tr> <td style="text-align: center;">20+</td> <td style="text-align: center;">0.75%</td> <td style="text-align: center;">0.15%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>General</u>	<u>Safety</u>	0	11.00%	4.25%	5	4.50%	1.25%	10	2.50%	0.80%	15	1.40%	0.55%	20+	0.75%	0.15%																						
<u>Years of Service</u>	<u>General</u>	<u>Safety</u>																																							
0	11.00%	4.25%																																							
5	4.50%	1.25%																																							
10	2.50%	0.80%																																							
15	1.40%	0.55%																																							
20+	0.75%	0.15%																																							
Future Accruals	Current active employees are assumed to earn one year of service for each future year.																																								
Retirement Rate	<p>Retirement rates are based on the rates used by the most recent OCERS actuarial valuation as of December 31, 2021. Sample rates include:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: center;"><u>General</u> <u>&lt;30 Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>General</u> <u>30+ Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>Safety</u> <u>&lt;30 Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>Safety</u> <u>30+ Years of</u> <u>Service</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">45-49</td> <td style="text-align: center;">0.0%</td> <td style="text-align: center;">0.0%-30.0%</td> <td style="text-align: center;">2.0%</td> <td style="text-align: center;">10.0%</td> </tr> <tr> <td style="text-align: center;">50-54</td> <td style="text-align: center;">2.0%-7.0%</td> <td style="text-align: center;">4.0%-14.0%</td> <td style="text-align: center;">4.0%-12.0%</td> <td style="text-align: center;">10.0%-25.0%</td> </tr> <tr> <td style="text-align: center;">55-59</td> <td style="text-align: center;">9.0%-12.0%</td> <td style="text-align: center;">18.0%-30.0%</td> <td style="text-align: center;">12.0%-18.0%</td> <td style="text-align: center;">25.0%-30.0%</td> </tr> <tr> <td style="text-align: center;">60-64</td> <td style="text-align: center;">11.0%-16.0%</td> <td style="text-align: center;">20.0%-24.0%</td> <td style="text-align: center;">18.0%</td> <td style="text-align: center;">30.0%-35.0%</td> </tr> <tr> <td style="text-align: center;">65-69</td> <td style="text-align: center;">22.0%-24.0%</td> <td style="text-align: center;">27.5%-30.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> <tr> <td style="text-align: center;">70-74</td> <td style="text-align: center;">20.0%-25.0%</td> <td style="text-align: center;">27.5%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> <tr> <td style="text-align: center;">75+</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> </tbody> </table>	<u>Age</u>	<u>General</u> <u>&lt;30 Years of</u> <u>Service</u>	<u>General</u> <u>30+ Years of</u> <u>Service</u>	<u>Safety</u> <u>&lt;30 Years of</u> <u>Service</u>	<u>Safety</u> <u>30+ Years of</u> <u>Service</u>	45-49	0.0%	0.0%-30.0%	2.0%	10.0%	50-54	2.0%-7.0%	4.0%-14.0%	4.0%-12.0%	10.0%-25.0%	55-59	9.0%-12.0%	18.0%-30.0%	12.0%-18.0%	25.0%-30.0%	60-64	11.0%-16.0%	20.0%-24.0%	18.0%	30.0%-35.0%	65-69	22.0%-24.0%	27.5%-30.0%	100.0%	100.0%	70-74	20.0%-25.0%	27.5%	100.0%	100.0%	75+	100.0%	100.0%	100.0%	100.0%
<u>Age</u>	<u>General</u> <u>&lt;30 Years of</u> <u>Service</u>	<u>General</u> <u>30+ Years of</u> <u>Service</u>	<u>Safety</u> <u>&lt;30 Years of</u> <u>Service</u>	<u>Safety</u> <u>30+ Years of</u> <u>Service</u>																																					
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75+	100.0%	100.0%	100.0%	100.0%																																					
Healthcare Cost Trend Rates	The initial trend rates are based on a combination of employer history, national trend surveys, and professional judgment. The final trend rate was selected based on historical medial CPI information.																																								

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Healthcare Cost Trend Rates, (Continued)	Fiscal Year	CalPers	Fiscal Year	Non-CalPers	Fiscal Year	Non-CalPers
	<u>Ending</u>	<u>Rates</u>	<u>Ending</u>	<u>(Pre-65)</u>	<u>Ending</u>	<u>(Post-65)</u>
	2023	6.50%	2023	7.00%	2023	6.50%
	2024	6.25%	2024	6.75%	2024	6.25%
	2025	6.00%	2025	6.50%	2025	6.00%
	2026	5.75%	2026	6.25%	2026	5.75%
	2027	5.50%	2027	6.00%	2027	5.50%
	2028	5.25%	2028	5.75%	2028	5.25%
	2029	5.00%	2029	5.50%	2029	5.00%
	2030	4.75%	2030	5.25%	2030	4.75%
	2031+	4.50%	2031	5.00%	2031+	4.50%
			2032	4.75%		
			2033+	4.50%		
Medical Grant Amount	Assumed 5% annual increase					
Minimum Required Contribution (PEMHCA)	Assumed 4% annual increase					
Per Capita Costs	Based on the premiums and funding rates furnished by OCFA. Safety employees are underwritten with the active and retirees pooled together, thus an implied rate subsidy has been estimated and is included in the valuation. The rate subsidy equals the difference between the estimated cost and the actual premium for coverage. General employees are assumed to participate in a community-rated plan. This valuation includes the liability for the implied subsidy. The expected retiree cost for both Safety and General employees is determined using unisex morbidity rates.					
Actuarial Value of Assets	Market Value					

Changes of Assumptions

Following is a comparison of changes in actuarial assumptions as of December 31, 2022 and 2021:

	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>	<u>Change</u>
Payroll growth	3.00%	3.25%	(0.25%)
Inflation rate	2.00%	2.75%	(0.75%)
Twenty-year bond rate	1.94% - 4.09% Range	1.84% - 2.25% Range	0.10% to 1.84% Range
Healthcare trend rates	7.00% (2023) decreasing by 0.25% annually to 4.5% (2033+)	6.25% (2023) decreasing by 0.5% annually to 4.5% (2030+)	0.75% initial rate; 0.25% annual decrease

Discount Rate

The final equivalent single discount rate used to measure the total OPEB liability was 7.00% (no change since the prior measurement date). This discount rate assumes that OCFA continues to fund OPEB benefits and reflects OCFA's "Snowball Plan" contributions now being directed toward the Retiree Medical Plan first starting in 2021. Based on these assumptions and including these contributions, the Plan's fiduciary net position is expected to be able to pay for all future OPEB benefits.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.00%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Public Equities	47.0%	8.0%
Private Equities	13.0%	10.0%
Fixed Income	11.0%	3.0%
Credit	7.0%	2.0%
Real Assets	12.0%	6.0%
Risk Mitigation	<u>10.0%</u>	5.0%
Total	<u>100.0%</u>	7.0%

The annual money-weighted rate of return was -7.9%.

**(d) Changes in the Net OPEB Liability**

Changes in the Plan's net OPEB liability for the year ended June 30, 2023, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	<u>\$161,448,565</u>	<u>\$59,446,266</u>	<u>\$102,002,299</u>
Changes in the year:			
Service cost	2,461,230	-	2,461,230
Interest on the total OPEB liability	11,178,022	-	11,178,022
Difference between expected and actual experience	(5,289,751)	-	(5,289,751)
Changes in assumptions	1,408,587	-	1,408,587
Contributions – employer	-	3,238,768	(3,238,768)
Contributions – plan members	-	1,628,619	(1,628,619)
Net investment income (loss)	-	(4,683,124)	4,683,124
Benefit payments, including refunds of employee contributions	(8,592,854)	(8,592,854)	-
Administrative expense	-	(23,640)	23,640
Net changes	<u>1,165,234</u>	<u>(8,432,231)</u>	<u>9,597,465</u>
Balance at June 30, 2023	<u>\$162,613,799</u>	<u>\$51,014,035</u>	<u>\$111,599,764</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability, calculated using the current discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	<u>\$134,041,757</u>	<u>\$111,599,764</u>	<u>\$94,281,458</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability, calculated using the current healthcare cost trend rates (7.0% decreasing to 4.5%), as well as what the net OPEB liability would be if it were calculated using rates that are one percentage point lower (6.0% decreasing to 3.5%) or one percentage point higher (8.0% decreasing to 5.5%) than the current rates:

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	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB liability	<u>\$105,045,349</u>	<u>\$111,599,764</u>	<u>\$117,809,189</u>

**(e) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, OCFA recognized OPEB expense (credit) of \$(23,871,945). At June 30, 2023, OCFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the total OPEB liability	\$ 286,329	\$(15,224,923)
Changes in assumptions	10,233,084	(79,649,379)
Net differences between projected and actual earnings on plan investments	<u>3,880,956</u>	<u>-</u>
	14,400,369	(94,874,302)
Contributions subsequent to measurement date	<u>25,570,495</u>	<u>-</u>
Total	<u>\$39,970,864</u>	<u>\$(94,874,302)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$25,570,495 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. All other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will also be recognized as an adjustment to OPEB expense as follows:

Year Ended June 30	Amount
2024	\$(37,118,652)
2025	(46,169,069)
2026	1,065,823
2027	<u>1,747,965</u>
Total	<u>\$(80,473,933)</u>

**(f) OPEB Plan Fiduciary Net Position**

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan's financial statements as of and for the year ending June 30, 2023:

	Retiree Medical Plan
<b>Assets:</b>	
Cash and investments:	
Pooled amounts held in trust with OCERS	<u>\$52,013,173</u>
Total cash and investments	52,013,173
Receivables:	
Other receivables	<u>19,889</u>
Total assets	<u>52,033,062</u>
<b>Liabilities:</b>	
Accrued liabilities	<u>1,019,027</u>
Total liabilities	<u>1,019,027</u>
Net position restricted for postemployment benefits other than pensions	<u>\$51,014,035</u>

	Retiree Medical Plan
Additions:	
Contributions:	
Employer	\$ 3,238,768
Plan members	<u>1,628,619</u>
Total contributions	<u>4,867,387</u>
Net investment income:	
Total investment income (loss)	(4,304,726)
Investment fees and expenses	<u>(378,398)</u>
Total net investment income (loss)	<u>(4,683,124)</u>
Total additions	<u>184,263</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	8,592,854
Administrative expenses	<u>23,640</u>
Total deductions	<u>8,616,494</u>
Change in net position	(8,432,231)
Net position, beginning of year	<u>59,446,266</u>
Net position, end of year	<u>\$51,014,035</u>

**(27) Retiree Defined Contribution Healthcare Expense Reimbursement Plan**

(a) Plan Description and Administration

On September 28, 2006, OCFA's Board of Directors created the Orange County Fire Authority Retiree Defined Contribution Healthcare Expense Reimbursement Plan (Plan), an employer-sponsored defined contribution benefit plan. The Plan became effective January 1, 2007. OCFA's Board of Directors establishes and amends all Plan provisions through negotiations with labor bargaining groups, subject to all applicable requirements of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by MidAmerica Administrative and Retirement Solutions (formerly Further). Funds are held in a Healthcare Reimbursement Account as a "self-insured medical reimbursement plan" pursuant to Sections 105 and 106 of the Internal Revenue Code. All contributions, investment income, and realized and unrealized gains and losses are credited to individual recordkeeping accounts maintained in the name of each Plan participant. Account assets are invested as directed by the participant from among investment funds selected by the OCFA. The Healthcare Reimbursement Account is considered an employer-funded account for tax purposes. An individual employee may not decide to participate or not participate beyond the terms of the applicable agreement.

(b) Benefit Provisions and Eligibility

All full-time employees who were hired on or after January 1, 2007, are eligible to participate in the Plan. The Plan provides for the reimbursement of medical, dental, and other eligible healthcare expenses of retirees, their spouses, and dependents. Participants are eligible to receive Plan benefits upon reaching retirement age, including those who terminate employment with the OCFA for reasons other than retirement.

(c) Contributions

All active, full-time employees who became employed by OCFA on or after January 1, 2007, are required to contribute 4% of their base pay to the Plan through payroll deductions to the OCFA. Employees are not permitted to contribute more or less to the Plan.

At the time the Plan was implemented, all OCFA classifications received a salary range adjustment that was earmarked for the required contribution into the Healthcare Reimbursement Account. Employees were not given the option to

receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes. Contractually required employee contributions for the fiscal year ended June 30, 2023, totaled \$4,693,181.

(d) Public Employees' Medical and Hospital Care Act

All retirees and full-time employees hired on or after January 1, 2007, are eligible for the legally required Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, as stipulated by the California Public Employees' Retirement System (CalPERS). Additional information regarding other postemployment benefits (OPEB) for PEMHCA is provided within these notes as Note 26.

**(28) Deferred Compensation Plans**

(a) 457(b) and 401(a) Deferred Compensation Plans

All OCFA employees may participate in OCFA's 457(b) Deferred Compensation Plan, a retirement savings plan. The 457(b) Deferred Compensation Plan (457b Plan) is administered by the Nationwide Trust Company. Employees may make voluntary contributions to the 457b Plan, including after-tax Roth 457 contributions, up to the maximum annual amounts permitted by the Internal Revenue Service. Voluntary employee contributions to the 457b Plan for the fiscal year ended June 30, 2023, totaled \$12,285,807.

On February 28, 2019, OCFA's Board of Directors created the Orange County Fire Authority 401(a) Deferred Compensation Plan (401a Plan). The 401a Plan is also administered by Nationwide Trust Company. In accordance with OCFA's Personnel and Salary Resolution, Executive Management employees are eligible to receive deferred compensation contributions from OCFA in an amount equal to 4.5% of base salary. In accordance with OCFA's Memorandum of Understanding with the Administrative Management unit, employees at the maximum of their salary range are eligible to receive a merit-based deferred compensation contribution in the amount of \$500 per year. Contractually required employer contributions to the 401a Plan for the fiscal year ended June 30, 2023, totaled \$138,438 for Executive Management employees and \$6,500 for Administrative Management employees.

OCFA's Board of Directors establishes and amends all deferred compensation plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups when applicable. Amendment or termination of the plans is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

(b) 457(OBRA) Deferred Compensation Plan

On January 26, 2017, OCFA's Board of Directors created a 457(OBRA) Deferred Compensation Plan (Plan), a mandatory retirement savings plan, for the participation of all eligible part-time employees pursuant to federal legislation. For Internal Revenue Service (IRS) tax purposes, all OCFA Board Members are considered employees and, as such, OCFA is required to provide a retirement savings plan for mandatory enrollment. The Plan satisfies OCFA's obligation to enroll all employees in a retirement savings plan. Effective July 1, 2018, all eligible extra help employees hired by OCFA are also enrolled as participants in the Plan in lieu of OCFA's Extra Help Retirement Plan, a single-employer defined benefit pension plan described within these notes as Note 25.

Plan participants are required to contribute 7.5% of their earnings to the Plan, subject to maximum annual federal limits, and may immediately receive benefits without penalty upon separation of employment from OCFA. The Plan is administered by NaCoServices, Inc., a subsidiary of the National Association of Counties and Nationwide Retirement Solutions, Inc. Required employee contributions for the fiscal year ended June 30, 2023, totaled \$12,904.

**(29) Subsequent Events**

**(a) Deposit to 115 Trust**

On July 7, 2023, OCFA deposited \$2,000,000 into the Public Agencies Post-Employment Benefits Trust (115 Trust) for the purpose of pre-funding pension and/or other post-employment benefit obligations in accordance with terms of the Settlement Agreement between OCFA and the City of Irvine. Assets of the 115 Trust are held by U.S. Bank National Association (U.S. Bank) and are administered by Public Agency Retirement Services (PARS).

**(b) General Liability Insurance Premium Increase**

On August 11, 2023, OCFA paid \$3,149,050 to the Fire Agencies Insurance Risk Authority (FAIRA) to renew its Fiscal Year 2023/24 general liability insurance premium. This was a 17% increase over the expiring Fiscal Year 2022/23 premium that totaled \$2,689,184. The premium increase is primarily due to the FAIRA pool experiencing above-average losses in employment liability claims; the general hardening of the current insurance market; the COVID-19 pandemic; and the increase in the number of OCFA vehicles, fire stations, paramedic count, and employees.

**(c) Workers' Compensation Excess Insurance Premium Increase**

On August 4, 2023, OCFA paid \$945,916 to PRISM to renew its Fiscal Year 2023/24 workers' compensation excess insurance premium, including related fees. This was an 11% increase over the expiring Fiscal Year 2022/23 premium as shown in the following table:

	Fiscal Year <u>2023/24 Payment</u>	Fiscal Year <u>2022/23 Payment</u>	<u>% Increase</u>
Premium	\$797,215	\$755,650	6%
Administrative fee	63,752	56,967	12%
Broker fee	41,834	39,024	7%
Adjustment	<u>43,115</u>	-	100%
Total payment	<u>\$945,916</u>	<u>\$851,641</u>	11%

The premium increase is primarily due to several factors, including (1) serious claims from the burn over incident and other significant claims; (2) the COVID-19 pandemic and general market impact; (3) fewer carriers willing to offer workers' compensation excess insurance to the public safety sector; and (4) the provider creating two new public safety rating groups with increased rates that were phased in over a three-year period. OCFA is included in the high safety rating group since over 40% of its payroll is attributable to safety personnel.

**(d) Lease Agreement for Copier Services**

On May 25, 2023, OCFA entered into a Professional Services Agreement (Agreement) with UBEO West, LLC, for copier and multifunction device leasing services at the RFOTC and fire stations. The term of the Agreement commenced August 1, 2023, for an initial, one-year term. Thereafter, at the sole discretion of OCFA, the Agreement may be extended for up to four additional, one-year renewal terms. The amount of the Agreement is not to exceed \$120,000 annually. In August 2023, OCFA began the process of physically removing and replacing its existing copier equipment, which was leased from Cell Business Equipment on a month-to-month basis (Note 21).

**(e) Legal Settlement**

In July 2023, OCFA entered into a Settlement Agreement and Release of All Claims (Agreement) with a Plaintiff arising from a legal matter that was initiated in 2021. Per terms of the Agreement, OCFA agreed to pay the Plaintiff the total sum of \$580,000, which consisted of \$58,000 to be paid directly by OCFA as taxable wages and \$522,000 to be paid directly by OCFA's insurance carrier to the Plaintiff's attorney client trust account. As of June 30, 2023, OCFA reported a \$58,000 claims liability within these financial statements, offset by a receivable for an equal amount due as a reimbursement from OCFA's insurance carrier. OCFA's payment to the Plaintiff was processed on July 21, 2023.



**Orange County Fire Authority**



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# Required Supplementary Information



Best & Bravest Awards Dinner  
April 28, 2023



**Required Supplementary Information**

**OCERS Retirement Plan**

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan that provides retirement, disability, and death benefits to safety and general members.

**Extra Help Retirement Plan**

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

**Retiree Medical Plan**

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).

**ORANGE COUNTY FIRE AUTHORITY**

**OCERS Retirement Plan**  
**A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2023**  
**Last Ten Fiscal Years**

**Schedule of OCFA's Proportionate Share of the Net Pension Liability**

Fiscal Year Ended June 30	OCFA's Proportion of the Collective Net Pension Liability (Asset)	OCFA's Proportionate Share of the Collective Net Pension Liability (Asset)	OCFA's Covered Payroll (B)	Proportionate Share of the Collective Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan's Fiduciary Net Position	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	Applicable Measurement Date (A)
2014	8.366%	\$ 442,651,348	\$ 129,689,221	341.317%	\$ 10,821,318,000	67.16%	12/31/2013
2015	9.188%	\$ 466,968,323	\$ 129,187,729	361.465%	\$ 11,536,106,000	69.42%	12/31/2014
2016	9.056%	\$ 517,669,806	\$ 129,452,647	399.891%	\$ 11,657,318,000	67.10%	12/31/2015
2017	9.043%	\$ 469,430,660	\$ 124,514,004	377.010%	\$ 12,809,208,000	71.16%	12/31/2016
2018	7.485%	\$ 370,674,668	\$ 148,890,685	248.958%	\$ 14,801,895,000	74.93%	12/31/2017
2019	7.531%	\$ 466,731,526	\$ 155,479,486	300.188%	\$ 14,481,680,000	70.03%	12/31/2018
2020	6.982%	\$ 354,395,457	\$ 164,583,742	215.328%	\$ 16,678,581,000	76.67%	12/31/2019
2021	4.299%	\$ 181,121,638	\$ 190,254,989	95.199%	\$ 18,797,203,000	81.69%	12/31/2020
2022	-5.117%	\$ (104,907,413)	\$ 189,061,641	-55.488%	\$ 21,922,182,000	91.45%	12/31/2021
2023	5.176%	\$ 279,060,590	\$ 193,780,939	144.008%	\$ 19,690,021,000	78.51%	12/31/2022

Notes to Schedule:

(A) Applicable measurement date reflects the most recent fiscal year-end of the Orange County Employees Retirement System.

(B) Based on Plan Year ending December 31

**ORANGE COUNTY FIRE AUTHORITY**

**OCERS Retirement Plan  
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan  
As of June 30, 2023  
Last Ten Fiscal Years**

**Schedule of Contributions**

Fiscal Year Ended June 30	Required Employer Contributions		Actual Employer Contributions	Contribution Excess (Deficiency)	Covered Payroll (B)	Actual Contributions as a Percentage of Covered Payroll	
	(Actuarially Determined)						
2014	\$ 57,795,043	\$ 63,030,796	\$ 5,235,753	\$ 125,869,628	50.08%		
2015	\$ 61,323,319	\$ 82,699,618	\$ 21,376,299	\$ 128,215,528	64.50%	(A)	
2016	\$ 63,297,103	\$ 78,708,605	\$ 15,411,502	\$ 132,248,620	59.52%		
2017	\$ 66,284,815	\$ 82,880,775	\$ 16,595,960	\$ 144,564,215	57.33%		
2018	\$ 67,135,009	\$ 90,230,805	\$ 23,095,796	\$ 149,170,809	60.49%		
2019	\$ 68,220,529	\$ 91,053,475	\$ 22,832,946	\$ 153,247,752	59.42%		
2020	\$ 72,228,778	\$ 93,232,215	\$ 21,003,437	\$ 176,975,377	52.68%		
2021	\$ 79,754,287	\$ 106,715,236	\$ 26,960,949	\$ 185,441,142	57.55%		
2022	\$ 83,069,059	\$ 94,010,371	\$ 10,941,312	\$ 192,639,197	48.80%		
2023	\$ 71,691,220	\$ 84,450,056	\$ 12,758,836	\$ 197,123,640	42.84%		

Notes to Schedule:

(A) Beginning in Fiscal Year 2014/15, required and actual contributions presented in the above schedule exclude any employer-paid member contributions. Since it was not practical to obtain data in this format prior to Fiscal Year 2014/15, earlier periods have not been restated. Required and actual contributions presented for Fiscal Year 2013/14 and prior include any employer-paid member contributions.

(B) Based on Fiscal Year ending June 30

**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Total pension liability (TPL):				
Service cost	\$ 8,030	\$ -	\$ 8,331	\$ 6,050
Interest	11,484	-	11,865	6,637
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(3,269)	9,728	(131,777)	-
Changes of assumptions	-	-	47,323	(27,593)
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in total pension liability	7,569	3,269	(74,900)	(46,276)
Total pension liability - beginning	302,551	310,120	313,389	238,489
Total pension liability - ending	310,120	313,389	238,489	192,213
Plan fiduciary net position (FNP):				
Contributions - employer	2,117	2,481	2,267	839
Contributions - plan members	13,542	11,831	8,923	21,080
Net investment income	586	714	1,219	2,407
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in plan fiduciary net position	7,569	8,567	1,767	(7,044)
Total plan fiduciary net position - beginning	56,895	64,464	73,031	74,798
Total plan fiduciary net position - ending	64,464	73,031	74,798	67,754
Net pension liability (NPL)	\$ 245,656	\$ 240,358	\$ 163,691	\$ 124,459
Plan FNP as a % of the TPL	20.79%	23.30%	31.36%	35.25%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
NPL as a % of covered payroll (B)	119.63%	117.05%	150.83%	114.68%

Notes to Schedule:

(A) Change in actuarial assumptions:

Discount rate and investment rate of return	3.75%	3.75%	2.90%	3.40%
Inflation	3.00%	3.00%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%

(B) Effective July 1, 2018, the Plan is closed to new entrants. As of June 30, 2022, there are no longer an active employees participating in the plan; thus, covered payroll and net pension liability as a % of covered payroll are not applicable.

	2018	2019	2020	2021	2022	2023
\$	5,386	\$ 2,911	\$ 6,786	\$ 994	\$ 874	\$ -
	6,297	5,007	5,388	3,033	2,819	3,115
	-	-	-	-	-	-
	(36,700)	21,397	(63,020)	829	(6,523)	(50,185)
	5,961	9,879	16,260	6,853	(29,721)	(125)
	<u>(24,786)</u>	<u>(16,426)</u>	<u>(13,768)</u>	<u>-</u>	<u>(2,213)</u>	<u>(33,302)</u>
	(43,842)	22,768	(48,354)	11,709	(34,764)	(80,497)
	<u>192,213</u>	<u>148,371</u>	<u>171,139</u>	<u>122,785</u>	<u>134,494</u>	<u>99,730</u>
	<u>148,371</u>	<u>171,139</u>	<u>122,785</u>	<u>134,494</u>	<u>99,730</u>	<u>19,233</u>
	1,519	876	1,072	2,117	2,279	540
	16,641	9,043	891	579	-	-
	1,196	1,731	1,191	266	192	1,166
	<u>(24,786)</u>	<u>(16,426)</u>	<u>(13,768)</u>	<u>-</u>	<u>(2,213)</u>	<u>(33,302)</u>
	(5,430)	(4,776)	(10,614)	2,962	258	(31,596)
	<u>67,754</u>	<u>62,324</u>	<u>57,548</u>	<u>46,934</u>	<u>49,896</u>	<u>50,154</u>
	<u>62,324</u>	<u>57,548</u>	<u>46,934</u>	<u>49,896</u>	<u>50,154</u>	<u>18,558</u>
\$	<u>86,047</u>	<u>\$ 113,591</u>	<u>\$ 75,851</u>	<u>\$ 84,598</u>	<u>\$ 49,576</u>	<u>\$ 675</u>
	42.01%	33.63%	38.22%	37.10%	50.29%	96.49%
\$	73,747	\$ 160,212	\$ 9,541	\$ 7,744	N/A	N/A
	116.68%	70.90%	795.00%	1092.43%	N/A	N/A
	3.50%	3.15%	2.45%	2.10%	3.75%	3.90%
	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
	3.00%	3.00%	3.00%	3.00%	3.00%	N/A



**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years**

**Schedule of Contributions**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Required employer contributions (contractually determined)	\$ 2,117	\$ 2,481	\$ 2,267	\$ 839
Actual employer contributions	2,117	2,481	2,267	839
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Actual contributions as a % of required contributions	100.00%	100.00%	100.00%	100.00%
Covered payroll (B)	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
Actual contributions as a % of covered payroll (B)	1.03%	1.21%	2.09%	0.77%

Notes to Schedule:

(A) Changes in size or composition of plan members:

Inactive; currently receiving benefits	-	-	-	-
Inactive; entitled to but not yet receiving benefits	10	39	47	46
Active	59	41	17	31
Total plan members as of June 30	69	80	64	77

(B) Effective July 1, 2018, the Plan is closed to new entrants. As of June 30, 2022, there are no longer an active employees participating in the plan; thus, covered payroll and net pension liability as a % of covered payroll are not applicable.

2018	2019	2020	2021	2022	2023
\$ 1,519	\$ 876	1,072	2,117	2,279	540
<u>1,519</u>	<u>876</u>	<u>1,072</u>	<u>2,117</u>	<u>2,279</u>	<u>540</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 73,747	\$ 160,212	\$ 9,541	\$ 7,744	N/A	N/A
2.06%	0.55%	11.24%	27.34%	N/A	N/A
-	-	-	-	-	-
37	38	38	38	38	32
<u>24</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>61</u>	<u>42</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>32</u>

**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years**

**Schedule of Money Weighted Rate of Return**

<b>Fiscal Year Ended June 30</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
2014	0.97%
2015	1.24%
2016	1.66%
2017	3.43%
2018	1.90%
2019	2.93%
2020	2.30%
2021	0.55%
2022	0.39%
2023	3.45%

**Orange County Fire Authority**



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**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Changes in Net OPEB Liability and Related Ratios**

	Fiscal Year Ended June 30		
	2018	2019	2020
Total OPEB liability (TOPEBL):			
Service cost	\$ 7,712,349	\$ 7,989,994	\$ 6,034,031
Interest	10,007,111	10,432,082	10,878,843
Differences between expected and actual experience	-	(2,909,247)	(647,369)
Changes of assumptions	-	(35,431,920)	18,873,824
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)
Net change in total pension liability	12,138,405	(26,722,736)	27,900,008
Total OPEB liability - beginning	273,053,476	285,191,881	258,469,145
Total OPEB liability - ending	285,191,881	258,469,145	286,369,153
Plan fiduciary net position (FNP):			
Contributions - employer	1,603,537	4,002,323	2,221,564
Contributions - plan members	2,379,665	2,259,947	2,111,158
Net investment income (loss)	5,116,794	(728,045)	5,301,391
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)
Administrative expense	(27,068)	(30,304)	(21,240)
Net change in plan fiduciary net position	3,491,873	(1,299,724)	2,373,552
Total plan fiduciary net position - beginning	36,839,189	40,331,062	39,031,338
Total plan fiduciary net position - ending	40,331,062	39,031,338	41,404,890
Net OPEB liability (NOPEBL)	\$ 244,860,819	\$ 219,437,807	\$ 244,964,263
Plan FNP as a % of the TOPEBL	14.14%	15.10%	14.46%
Covered employee payroll (B)	\$ 68,808,979	\$ 66,697,012	\$ 63,351,188
NOPEBL as a % of covered employee payroll	355.86%	329.01%	386.68%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Required employer contributions to the OPEB plan are not based on a measure of pay; thus, this schedule discloses "covered employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll. The amounts reported on this schedule are based on the Plan Year ending date of December 31.

(C) Applicable measurement date	12/31/2017	12/31/2018	12/31/2019
(D) Change in actuarial assumptions:			
Discount rate	3.60%	4.17%	3.31%
Investment rate of return	7.00%	7.00%	7.00%
Payroll growth	3.25%	3.25%	3.25%
Inflation	2.75%	2.75%	2.75%
Healthcare cost trend rates	5.00% - 6.50%	5.00% - 6.50%	4.50% - 6.50%
Twenty-year bond rate	3.44%	4.11%	2.76% - 3.26%
Crossover year	2028	2025	2025
Mortality rate scale	MP-2015	MP-2018	MP-2019
Pre-retirement turnover	0.00% - 5.00%	0.20% - 11.00%	0.20% - 11.00%

2021	2022	2023
\$ 8,510,680	\$ 10,072,942	\$ 2,461,230
9,632,097	7,499,506	11,178,022
1,145,322	(23,396,844)	(5,289,751)
37,176,101	(159,298,759)	1,408,587
<u>(7,823,558)</u>	<u>(8,438,075)</u>	<u>(8,592,854)</u>
48,640,642	(173,561,230)	1,165,234
<u>286,369,153</u>	<u>335,009,795</u>	<u>161,448,565</u>
<u>335,009,795</u>	<u>161,448,565</u>	<u>162,613,799</u>
2,284,326	17,370,021	3,238,768
1,976,295	1,842,066	1,628,619
4,134,537	6,741,844	(4,683,124)
(7,823,558)	(8,438,075)	(8,592,854)
<u>(22,440)</u>	<u>(23,640)</u>	<u>(23,640)</u>
549,160	17,492,216	(8,432,231)
<u>41,404,890</u>	<u>41,954,050</u>	<u>59,446,266</u>
<u>41,954,050</u>	<u>59,446,266</u>	<u>51,014,035</u>
<u>\$ 293,055,745</u>	<u>\$ 102,002,299</u>	<u>\$ 111,599,764</u>
12.52%	36.82%	31.37%
\$ 58,610,629	\$ 56,548,860	\$ 48,509,326
500.00%	180.38%	230.06%

12/31/2020	12/31/2021	12/31/2022
2.20%	7.00%	7.00%
7.00%	7.00%	7.00%
3.25%	3.25%	3.00%
2.75%	2.75%	2.00%
4.50% - 6.50%	4.50% - 6.25%	4.50% - 7.00%
1.93% - 2.12%	1.84% - 2.25%	1.94% - 4.09%
2027	N/A	N/A
MP-2020	MP-2021	MP-2021
0.20% - 11.00%	0.15% - 11.00%	0.15% - 11.00%

**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Contributions**

	Fiscal Year Ended June 30		
	2018	2019	2020
Required employer contributions (contractually determined) (B)	\$ 3,941,686	\$ 1,974,029	\$ 2,252,945
Actual employer contributions	3,941,686	1,974,029	2,252,945
Contribution excess (deficiency)	\$ -	\$ -	\$ -
Actual contributions as a % of contractually required contributions	100.00%	100.00%	100.00%
Covered employee payroll (C)	\$ 65,955,614	\$ 62,958,049	\$ 59,454,055
Actual contributions as a % of covered employee payroll	5.98%	3.14%	3.79%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Required, contractually determined employer contributions include: (1) cash contributions per Section 5 of the Health Plan Agreement between OCFA and the Orange County Professional Firefighters Association; (2) "Snowball Plan" payments required per the 4th Amendment to the Joint Powers Authority Agreement; (3) any cash contributions paid directly to retirees outside of the trust per the Retiree Medical Plan; and (4) the implicit subsidy in accordance with Memorandums of Understanding between OCFA and its labor groups requiring that OCFA contribute toward the payment of health care premiums on behalf of eligible retirees.

(C) Required employer contributions to the OPEB plan are not based on a measure of pay; thus, this schedule discloses "covered employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll. The amounts reported on this schedule are based on the Fiscal Year ending date of June 30.

(D) Changes in size or composition of plan members:

	As of June 30		
	2018	2019	2020
Retiree Medical Plan (Hired Prior to January 1, 2007):			
Inactive; currently receiving benefits	738	781	817
Inactive; entitled to but no yet receiving benefits	41	39	36
Active	511	457	419
Subtotal	1,290	1,277	1,272
PEMHCA Eligible Employees (Hired on or After January 1, 2007):			
Inactive; currently receiving benefits	1	1	4
Active	763	821	1,008
Subtotal	764	822	1,012
Total Plan Members as of June 30:			
Inactive; currently receiving benefits	739	782	821
Inactive; entitled to but no yet receiving benefits	41	39	36
Active	1,274	1,278	1,427
Total	2,054	2,099	2,284

2021	2022	2023
\$ 2,361,738	\$ 18,417,245	\$ 26,538,739
<u>2,361,738</u>	<u>18,417,245</u>	<u>26,538,739</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
100.00%	100.00%	100.00%
\$ 57,043,737	\$ 49,786,365	\$ 44,545,501
4.14%	36.99%	59.58%

2021	2022	2023
844	900	929
36	32	29
<u>384</u>	<u>324</u>	<u>285</u>
<u>1,264</u>	<u>1,256</u>	<u>1,243</u>
4	4	7
<u>1,102</u>	<u>1,152</u>	<u>1,227</u>
<u>1,106</u>	<u>1,156</u>	<u>1,234</u>
848	904	936
36	32	29
<u>1,486</u>	<u>1,476</u>	<u>1,512</u>
<u>2,370</u>	<u>2,412</u>	<u>2,477</u>



**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2023**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Money Weighted Rate of Return**

Fiscal Year Ended June 30	As Related to Plan Year Ended December 31	Annual Money-Weighted Rate of Return, Net of Investment Expense
2018	2017	14.74%
2019	2018	-1.31%
2020	2019	14.81%
2021	2020	11.22%
2022	2021	16.67%
2023	2022	-7.88%

Notes to Schedule:

(A) GASB Statement No. 74 was implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

# Supplementary Schedules



Honoring Our Retirees  
2022-2023



**Major Governmental Funds**

***Capital Projects Funds***

**Communications and Information Systems**

This fund is used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.

**Fire Apparatus**

This fund is used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.

**Fire Stations and Facilities**

This fund is used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

**ORANGE COUNTY FIRE AUTHORITY**  
**Communications and Information Systems**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 5,633,339	\$ 5,633,339	\$ 5,633,339	\$ -	\$ 5,223,735
Resources (inflows):					
Use of money and property	29,580	117,227	174,245	57,018	(118,653)
Miscellaneous	-	-	156,502	156,502	-
Transfers in	4,500,000	4,500,000	4,500,000	-	1,700,000
Total resources (inflows)	4,529,580	4,617,227	4,830,747	213,520	1,581,347
Amounts available for appropriations	10,162,919	10,250,566	10,464,086	213,520	6,805,082
Charges to appropriation (outflows):					
Services and supplies	3,669,836	2,312,371	406,976	1,905,395	313,211
Capital outlay	2,996,496	3,411,808	922,123	2,489,685	858,532
Transfers out	-	3,097,603	3,097,603	-	-
Total charges to appropriations	6,666,332	8,821,782	4,426,702	4,395,080	1,171,743
Budgetary fund balance, June 30	\$ 3,496,587	\$ 1,428,784	\$ 6,037,384	\$ 4,608,600	\$ 5,633,339

**ORANGE COUNTY FIRE AUTHORITY**  
**Fire Apparatus**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023			2022	
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final		Positive (Negative)	
Budgetary fund balance, July 1	\$ 16,569,960	\$ 16,569,960	\$ 16,569,960	\$ -	\$ 26,031,912
Resources (inflows):					
Charges for services	1,749,288	1,749,288	1,749,288	-	1,652,957
Use of money and property	220,110	517,088	868,386	351,298	(469,024)
Developer contributions	-	820,000	831,983	11,983	-
Transfers in	9,442,226	9,442,226	9,442,226	-	3,364,518
Issuance of lease	-	57,871,440	57,882,120	10,680	-
Total resources (inflows)	<u>11,411,624</u>	<u>70,400,042</u>	<u>70,774,003</u>	<u>373,961</u>	<u>4,548,451</u>
Amounts available for appropriations	<u>27,981,584</u>	<u>86,970,002</u>	<u>87,343,963</u>	<u>373,961</u>	<u>30,580,363</u>
Charges to appropriation (outflows):					
Services and supplies	-	1,112,460	98,429	1,014,031	400
Capital outlay	26,032,207	82,301,127	49,472,289	32,828,838	10,646,989
Issuance costs	-	47,000	43,092	3,908	-
Transfers out	-	-	-	-	3,363,014
Total charges to appropriations	<u>26,032,207</u>	<u>83,460,587</u>	<u>49,613,810</u>	<u>33,846,777</u>	<u>14,010,403</u>
Budgetary fund balance, June 30	<u>\$ 1,949,377</u>	<u>\$ 3,509,415</u>	<u>\$ 37,730,153</u>	<u>\$ 34,220,738</u>	<u>\$ 16,569,960</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Fire Stations and Facilities**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 21,308,456	\$ 21,308,456	\$ 21,308,456	\$ -	\$ 18,488,482
Resources (inflows):					
Intergovernmental	-	17,170,143	17,170,143	-	176,357
Use of money and property	40,570	334,005	578,747	244,742	(421,755)
Developer contributions	851,611	185,211	219,600	34,389	401,221
Transfers in	-	-	-	-	4,450,000
Total resources (inflows)	892,181	17,689,359	17,968,490	279,131	4,605,823
Amounts available for appropriations	22,200,637	38,997,815	39,276,946	279,131	23,094,305
Charges to appropriation (outflows):					
Services and supplies	119,165	419,165	620,023	(200,858)	689,019
Capital outlay	1,419,657	37,657,366	1,530,303	36,127,063	96,830
Transfers out	-	-	-	-	1,000,000
Total charges to appropriations	1,538,822	38,076,531	2,150,326	35,926,205	1,785,849
Budgetary fund balance, June 30	\$ 20,661,815	\$ 921,284	\$ 37,126,620	\$ 36,205,336	\$ 21,308,456

**Major Governmental Funds**

***“Sub-Fund” Components of General Fund***

The following “sub-funds” are combined and consolidated in order to report a single General Fund for financial statement presentation. Descriptions of each “sub-fund” component are identified below.

**General Operating Fund**

This sub-fund is used to account for all operating activities not accounted for in another sub-fund.

**General Fund Capital Improvement Program (CIP)**

This sub-fund is used to account for financial activity associated with maintenance and improvement projects that are considered “capital in nature” but do not meet the criteria to be included in a Capital Projects Fund.

**Structural Fire Entitlement**

This sub-fund is used to account for service enhancement funds of over-funded Structural Fire Fund members.

**Self Insurance**

This sub-fund is used to account the workers’ compensation self-insurance program.

**Settlement Agreement**

This sub-fund is used to account for the activities of a Settlement Agreement between OCFA and the City of Irvine to provide various provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA’s jurisdiction, including a Joint Police-Fire Training Facility, a Drone Program, Bi-Directional Amplifiers, training of Irvine Police Department Emergency Medical Technicians, a Public Safety Community Emergency Response Team Coordinator in the City of Irvine, and pension funding through a Section 115 Trust.



**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Balance Sheet**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance
<b>Assets:</b>				
Cash and investments	\$ 4,787,069	\$ 9,232,355	\$ 4,236,249	\$ 143,453,069
Accounts receivable, net	2,379,857	3,074	-	-
Accrued interest receivable	164,256	-	4,077	180,251
Prepaid costs and other assets	32,527,436	44,990	-	-
Due from other governments	36,987,615	-	-	-
Restricted cash and investments	-	-	-	-
Lease receivables	895,177	-	-	-
<b>Total assets</b>	<u>\$ 77,741,410</u>	<u>\$ 9,280,419</u>	<u>\$ 4,240,326</u>	<u>\$ 143,633,320</u>
<b>Liabilities:</b>				
Accounts payable	\$ 7,033,197	\$ 425,325	\$ 720,785	\$ 299,276
Accrued liabilities	15,382,108	-	-	-
Unearned revenue	9,378,655	-	-	-
Due to other governments	5,029	-	-	-
<b>Total liabilities</b>	<u>31,798,989</u>	<u>425,325</u>	<u>720,785</u>	<u>299,276</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	681,733	-	-	-
Related to leases	839,179	-	-	-
<b>Total deferred inflows of resources</b>	<u>1,520,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable prepaid costs	32,497,892	44,990	-	-
Restricted:				
Various departments	4,728,588	-	-	-
Section 115 pension trust	-	-	-	-
Committed to SFF cities enhancements	-	-	3,519,541	-
Assigned:				
Capital improvement program	-	6,545,843	-	-
Workers' compensation	-	-	-	143,334,044
Various departments	1,849,756	-	-	-
Facilities projects	232,727	-	-	-
Communications/IT projects	-	2,116,855	-	-
Construction projects	-	147,406	-	-
Unassigned	5,112,546	-	-	-
<b>Total fund balances</b>	<u>44,421,509</u>	<u>8,855,094</u>	<u>3,519,541</u>	<u>143,334,044</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 77,741,410</u>	<u>\$ 9,280,419</u>	<u>\$ 4,240,326</u>	<u>\$ 143,633,320</u>

Settlement Agreement	Eliminations	Total General Fund	
		2023	2022
\$ 21,590,898	\$ -	\$ 183,299,640	\$ 151,143,528
-	-	2,382,931	2,554,706
24,433	-	373,017	121,648
-	-	32,572,426	35,442,094
-	-	36,987,615	31,841,977
7,316,894	-	7,316,894	5,221,012
-	-	895,177	838,177
<u>\$ 28,932,225</u>	<u>\$ -</u>	<u>\$ 263,827,700</u>	<u>\$ 227,163,142</u>
\$ 3,397	\$ -	\$ 8,481,980	\$ 10,820,191
-	-	15,382,108	14,236,694
-	-	9,378,655	17,414
-	-	5,029	10,084
<u>3,397</u>	<u>-</u>	<u>33,247,772</u>	<u>25,084,383</u>
-	-	681,733	795,356
-	-	839,179	800,802
-	-	<u>1,520,912</u>	<u>1,596,158</u>
-	-	32,542,882	35,424,785
-	-	4,728,588	4,263,369
7,316,140	-	7,316,140	5,224,229
-	-	3,519,541	4,301,785
-	-	6,545,843	3,632,507
-	-	143,334,044	125,039,963
-	-	1,849,756	1,354,029
-	-	232,727	106,235
-	-	2,116,855	1,016,677
-	-	147,406	1,362,175
21,612,688	-	26,725,234	18,756,847
<u>28,928,828</u>	<u>-</u>	<u>229,059,016</u>	<u>200,482,601</u>
<u>\$ 28,932,225</u>	<u>\$ -</u>	<u>\$ 263,827,700</u>	<u>\$ 227,163,142</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance
Revenues:				
Taxes	\$ 326,138,528	\$ -	\$ -	\$ -
Intergovernmental	59,312,256	-	-	-
Charges for services	148,770,572	-	-	30,754,757
Use of money and property	1,973,806	-	88,206	2,585,568
Miscellaneous	23,670,734	-	-	-
Total revenues	<u>559,865,896</u>	<u>-</u>	<u>88,206</u>	<u>33,340,325</u>
Expenditures:				
Current - public safety:				
Salaries and benefits	450,933,000	-	-	-
Services and supplies	77,835,517	6,108,852	870,450	15,129,099
Capital outlay	19,789,244	616,756	-	-
Debt service:				
Interest and fiscal charges	1,456,767	-	-	-
Total expenditures	<u>550,014,528</u>	<u>6,725,608</u>	<u>870,450</u>	<u>15,129,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,851,368</u>	<u>(6,725,608)</u>	<u>(782,244)</u>	<u>18,211,226</u>
Other financing sources (uses):				
Transfers in	3,097,603	9,500,000	-	-
Transfers out	(26,110,226)	-	-	-
Issuance of lease	18,711,118	-	-	-
Sale of capital assets	2,730	-	-	-
Insurance recoveries	151,308	-	-	82,855
Total other financing sources (uses)	<u>(4,147,467)</u>	<u>9,500,000</u>	<u>-</u>	<u>82,855</u>
Net change in fund balances	5,703,901	2,774,392	(782,244)	18,294,081
Fund balances, beginning of year	38,717,608	6,080,702	4,301,785	125,039,963
Fund balances, end of year	<u>\$ 44,421,509</u>	<u>\$ 8,855,094</u>	<u>\$ 3,519,541</u>	<u>\$ 143,334,044</u>

Settlement Agreement	Eliminations	Total General Fund	
		2023	2022
\$ -	\$ -	\$ 326,138,528	\$ 302,861,759
-	-	59,312,256	57,550,253
-	(30,754,757)	148,770,572	144,354,836
576,327	(1,456,767)	3,767,140	(3,790,520)
-	-	23,670,734	11,128,699
<u>576,327</u>	<u>(32,211,524)</u>	<u>561,659,230</u>	<u>512,105,027</u>
-	(30,754,757)	420,178,243	419,386,430
658,042	-	100,601,960	79,854,490
-	-	20,406,000	1,360,821
-	(1,456,767)	-	-
<u>658,042</u>	<u>(32,211,524)</u>	<u>541,186,203</u>	<u>500,601,741</u>
<u>(81,715)</u>	<u>-</u>	<u>20,473,027</u>	<u>11,503,286</u>
2,668,000	(12,168,000)	3,097,603	4,363,014
-	12,168,000	(13,942,226)	(9,514,518)
-	-	18,711,118	12,690
-	-	2,730	30,679
-	-	234,163	1,632,834
<u>2,668,000</u>	<u>-</u>	<u>8,103,388</u>	<u>(3,475,301)</u>
2,586,285	-	28,576,415	8,027,985
26,342,543	-	200,482,601	192,454,616
<u>\$ 28,928,828</u>	<u>\$ -</u>	<u>\$ 229,059,016</u>	<u>\$ 200,482,601</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Original Budget**  
**Year ended June 30, 2023**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2023
Budgetary fund balance, July 1	\$ 38,717,608	\$ 6,080,702	\$ 4,301,785	\$ 125,039,963	\$ 26,342,543	\$ -	\$ 200,482,601
<b>Resources (inflows):</b>							
Taxes	315,735,745	-	-	-	-	-	315,735,745
Intergovernmental	29,289,912	-	-	-	-	-	29,289,912
Charges for services	146,631,335	-	-	30,754,757	-	(30,754,757)	146,631,335
Use of money and property	627,279	-	16,148	1,065,815	207,322	(35,000)	1,881,564
Miscellaneous	1,232,800	-	-	-	-	-	1,232,800
Transfers in	-	9,500,000	-	-	2,668,000	(12,168,000)	-
Sale of capital assets	75,000	-	-	-	-	-	75,000
Total resources (inflows)	<u>493,592,071</u>	<u>9,500,000</u>	<u>16,148</u>	<u>31,820,572</u>	<u>2,875,322</u>	<u>(42,957,757)</u>	<u>494,846,356</u>
Amounts available for appropriations	<u>532,309,679</u>	<u>15,580,702</u>	<u>4,317,933</u>	<u>156,860,535</u>	<u>29,217,865</u>	<u>(42,957,757)</u>	<u>695,328,957</u>
<b>Charges to appropriation (outflows):</b>							
Salaries and benefits	426,127,257	-	-	-	-	(30,754,757)	395,372,500
Services and supplies	40,652,925	10,705,807	-	17,212,913	668,000	-	69,239,645
Capital outlay	807,871	678,015	-	-	-	-	1,485,886
Interest and fiscal charges	35,000	-	-	-	-	(35,000)	-
Transfers out	26,110,226	-	-	-	-	(12,168,000)	13,942,226
Total charges to appropriations	<u>493,733,279</u>	<u>11,383,822</u>	<u>-</u>	<u>17,212,913</u>	<u>668,000</u>	<u>(42,957,757)</u>	<u>480,040,257</u>
Budgetary fund balance, June 30	<u>\$ 38,576,400</u>	<u>\$ 4,196,880</u>	<u>\$ 4,317,933</u>	<u>\$ 139,647,622</u>	<u>\$ 28,549,865</u>	<u>\$ -</u>	<u>\$ 215,288,700</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Final Budget**  
**Year ended June 30, 2023**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2023
Budgetary fund balance, July 1	\$ 38,717,608	\$ 6,080,702	\$ 4,301,785	\$ 125,039,963	\$ 26,342,543	\$ -	\$ 200,482,601
Resources (inflows):							
Taxes	325,727,253	-	-	-	-	-	325,727,253
Intergovernmental	80,122,924	-	-	-	-	-	80,122,924
Charges for services	146,558,695	-	-	30,754,757	-	(30,754,757)	146,558,695
Use of money and property	1,229,483	-	54,184	2,084,397	413,455	(1,377,500)	2,404,019
Miscellaneous	33,467,277	-	-	-	-	-	33,467,277
Transfers in	3,097,603	9,500,000	-	-	2,668,000	(12,168,000)	3,097,603
Sale of capital assets	5,000	-	-	-	-	-	5,000
Insurance recoveries	92,399	-	-	82,855	-	-	175,254
Total resources (inflows)	<u>590,300,634</u>	<u>9,500,000</u>	<u>54,184</u>	<u>32,922,009</u>	<u>3,081,455</u>	<u>(44,300,257)</u>	<u>591,558,025</u>
Amounts available for appropriations	<u>629,018,242</u>	<u>15,580,702</u>	<u>4,355,969</u>	<u>157,961,972</u>	<u>29,423,998</u>	<u>(44,300,257)</u>	<u>792,040,626</u>
Charges to appropriations (outflows):							
Salaries and benefits	451,334,196	-	-	-	-	(30,754,757)	420,579,439
Services and supplies	105,047,439	13,064,842	4,301,785	17,212,913	2,198,000	-	141,824,979
Capital outlay	3,756,136	2,339,643	-	-	-	-	6,095,779
Interest and fiscal charges	1,377,500	-	-	-	-	(1,377,500)	-
Transfers out	26,110,226	-	-	-	-	(12,168,000)	13,942,226
Total charges to appropriations	<u>587,625,497</u>	<u>15,404,485</u>	<u>4,301,785</u>	<u>17,212,913</u>	<u>2,198,000</u>	<u>(44,300,257)</u>	<u>582,442,423</u>
Budgetary fund balance, June 30	<u>\$ 41,392,745</u>	<u>\$ 176,217</u>	<u>\$ 54,184</u>	<u>\$ 140,749,059</u>	<u>\$ 27,225,998</u>	<u>\$ -</u>	<u>\$ 209,598,203</u>

**Orange County Fire Authority**



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**Fiduciary Funds**

***Pension and Other Employee Benefit Trust Funds***

**Extra Help Retirement Plan**

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

**Retiree Medical Plan**

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).



**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Pension and Other Employee Benefit Trust Funds**  
**Combining Schedule of Fiduciary Net Position**  
**June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2023	2022
<b>Assets:</b>				
Cash and investments:				
Local Agency Investment Fund:				
Domestic fixed income	\$ 18,558	\$ -	\$ 18,558	\$ 50,154
Pooled amounts held in trust with OCERS	-	52,013,173	52,013,173	60,362,996
Total cash and investments	18,558	52,013,173	52,031,731	60,413,150
Receivables:				
Other receivables	-	19,889	19,889	18,254
Total assets	18,558	52,033,062	52,051,620	60,431,404
<b>Liabilities:</b>				
Accrued liabilities	-	1,019,027	1,019,027	934,984
Total liabilities	-	1,019,027	1,019,027	934,984
<b>Net position restricted for:</b>				
Pensions	18,558	-	18,558	50,154
Postemployment benefits other than pensions	-	51,014,035	51,014,035	59,446,266
Total net position	\$ 18,558	\$ 51,014,035	\$ 51,032,593	\$ 59,496,420

**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Pension and Other Employee Benefit Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2023	2022
<b>Additions:</b>				
<b>Contributions:</b>				
Employer	\$ 540	\$ 3,238,768	\$ 3,239,308	\$ 17,372,300
Plan members	-	1,628,619	1,628,619	1,842,066
Total contributions	540	4,867,387	4,867,927	19,214,366
<b>Net investment income:</b>				
Total investment income (loss)	1,166	(4,304,726)	(4,303,560)	7,090,184
Investment fees and expenses	-	(378,398)	(378,398)	(348,148)
Total net investment income (loss)	1,166	(4,683,124)	(4,681,958)	6,742,036
Total additions	1,706	184,263	185,969	25,956,402
<b>Deductions:</b>				
Benefits and refunds paid to plan members and beneficiaries	33,302	8,592,854	8,626,156	8,440,288
Administrative expenses	-	23,640	23,640	23,640
Total deductions	33,302	8,616,494	8,649,796	8,463,928
Change in net position	(31,596)	(8,432,231)	(8,463,827)	17,492,474
Net position, beginning of year	50,154	59,446,266	59,496,420	42,003,946
Net position, end of year	\$ 18,558	\$ 51,014,035	\$ 51,032,593	\$ 59,496,420

**Orange County Fire Authority**



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# Statistical Section





**ORANGE COUNTY FIRE AUTHORITY**

**Overview of the Statistical Section**

The Statistical Section provides a context for understanding information in the financial statements, note disclosures and required supplementary information and how that information relates to the OCFA's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

**Financial Trends Information** – These schedules contain trend information to assist the reader in understanding how the OCFA's financial performance and well-being have changed over time.

**Revenue Capacity Information** – These schedules contain information to assist the reader in assessing property taxes, the OCFA's most significant local revenue source.

**Debt Capacity Information** – These schedules present information to assist the reader in assessing the affordability of the OCFA's current levels of outstanding debt and its ability to issue additional debt in the future.

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the OCFA's financial activities take place.

**Operating Information** – These schedules contain data to assist the reader in understanding how the information in the financial report relates to the services provided by and the activities performed by the OCFA.

**Orange County Fire Authority**



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**ORANGE COUNTY FIRE AUTHORITY**

**Financial Trends Information**

***Net Position by Component*** – Presents net position of the OCFA’s governmental activities by the three individual components of net position for each of the last ten fiscal years.

***Changes in Net Position*** – Presents the changes in net position of governmental activities for each of the last ten fiscal years.

***Fund Balances of Governmental Funds*** – Presents information on the fund balances of the General Fund and the aggregate of all other governmental funds for each of the last ten fiscal years.

***Changes in Fund Balances of Governmental Funds*** – Presents information on the changes in fund balances for total governmental funds for each of the last ten fiscal years, including the ratio of debt service expenditures to noncapital expenditures.



**ORANGE COUNTY FIRE AUTHORITY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 180,917,654	\$ 190,800,116	\$ 187,910,677	\$ 192,430,467
Restricted (3)	1,782,690	1,789,593	2,870,622	3,843,218
Unrestricted (3)	<u>61,054,271</u>	<u>(361,714,082)</u>	<u>(351,445,217)</u>	<u>(373,047,732)</u>
		(1)		
Total governmental activities net position	<u>\$ 243,754,615</u>	<u>\$ (169,124,373)</u>	<u>\$ (160,663,918)</u>	<u>\$ (176,774,047)</u>

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required a \$362 million restatement to beginning net position in order to fully reflect net OCFA's net pension liabilities. This adjustment contributed to an overall negative balance in unrestricted net position as of June 30, 2015 and in subsequent fiscal years.

(2) GASB Statements No. 74, 75, and 85 were implemented during Fiscal Year 2017/18, which required a \$153 million restatement to beginning net position in order to fully reflect net OCFA's net OPEB liabilities. This adjustment contributed to the increased negative balance in unrestricted net position as of June 30, 2018 and thereafter.

(3) Restricted and unrestricted net position have been revised for comparability with current fiscal year calculations. Amounts shown on this schedule for years prior to Fiscal Year 2021/22 may vary from the amounts originally reported in the financial statements.

(4) Restricted net position as of June 30, 2023, included \$16,931,500 in one-time state funding for a new hand crew facility and equipment, and \$12,530,156 for in unspent debt proceeds from the 2022 helicopter lease purchase agreement.

2018	2019	2020	2021	2022	2023
\$ 207,951,822	\$ 218,642,679	\$ 217,317,435	\$ 214,278,884	\$ 214,082,791	\$ 209,059,816
3,910,033	4,057,904	6,330,588	7,541,066	10,098,718	42,216,444 (4)
<u>(511,315,301)</u> (2)	<u>(520,770,897)</u>	<u>(498,312,821)</u>	<u>(429,331,899)</u>	<u>(270,987,934)</u>	<u>(188,879,355)</u>
<u>\$ (299,453,446)</u>	<u>\$ (298,070,314)</u>	<u>\$ (274,664,798)</u>	<u>\$ (207,511,949)</u>	<u>\$ (46,806,425)</u>	<u>\$ 62,396,905</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Governmental Activities	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Expenses - public safety:				
Salaries and benefits	\$ 266,764,367	\$ 335,419,737	\$ 316,292,785	\$ 327,515,166
Services and supplies	47,912,808	46,073,201	35,127,573	52,819,125
Depreciation and amortization	9,612,453	9,050,195	9,267,982	9,512,777
Interest on long-term debt	311,327	582,565	917,320	133,239
Total program expenses	<u>324,600,955</u>	<u>391,125,698</u>	<u>361,605,660</u>	<u>389,980,307</u>
Program revenues - public safety:				
Charges for services	106,874,513	113,150,325	117,263,679	121,875,157
Operating grants and contributions	10,339,966	11,410,019	12,165,015	11,992,438
Capital grants and contributions	1,462,540	9,182,195	3,331,088	1,040,129
Total program revenues	<u>118,677,019</u>	<u>133,742,539</u>	<u>132,759,782</u>	<u>134,907,724</u>
Net program revenues (expenses)	<u>(205,923,936)</u>	<u>(257,383,159)</u>	<u>(228,845,878)</u>	<u>(255,072,583)</u>
General revenues:				
Property taxes	190,873,689	205,141,237	219,840,417	232,832,758
Investment income (4)	982,541	946,282	1,848,365	1,236,818
Gain on disposal of capital assets	21,834	63,953	6,000	657,944
Miscellaneous (4)	1,040,664	1,128,586	2,629,203	4,234,934
Total general revenues	<u>192,918,728</u>	<u>207,280,058</u>	<u>224,323,985</u>	<u>238,962,454</u>
Changes in net position	<u>\$ (13,005,208)</u>	<u>\$ (50,103,101)</u>	<u>\$ (4,521,893)</u>	<u>\$ (16,110,129)</u>
		(1)		

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required that pension expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. OCFA recognized an increase to its pension expense totaling \$39.9 million during the year ended June 30, 2015. That amount is included within salaries and benefits.

(2) GASB Statements No. 74, 75 and 85 were implemented during Fiscal Year 2017/18, which required that OPEB expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. During the year ended June 30, 2018, OCFA recognized a decrease to its salary and benefits totaling \$7.2 million due to the implementation of these GASB statements.

(3) The City of Garden Grove became a member city of OCFA during Fiscal Year 2019/20 (August 2019).

(4) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as investment income rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2018	2019	2020	2021	2022	2023
\$ 323,845,042	\$ 339,249,853	\$ 352,573,221	\$ 331,869,650	\$ 249,802,878	\$ 346,185,496
57,275,465	62,877,930	84,600,263	82,748,977	93,296,815	101,221,979
10,084,196	10,531,098	12,137,499	12,961,222	13,232,063	25,712,134
70,751	11,444	-	-	-	1,191,326
<u>391,275,454</u>	<u>412,670,325</u>	<u>449,310,983</u>	<u>427,579,849</u>	<u>356,331,756</u>	<u>474,310,935</u>
132,634,280	128,320,646	156,740,363	169,343,205	174,072,175	173,110,122
13,920,686	15,454,060	29,275,482	31,323,104	38,289,243	52,867,337
16,875,139	454,200	3,850,481	1,332,000	401,221	18,386,450
<u>163,430,105</u>	<u>144,228,906</u>	<u>189,866,326</u>	<u>201,998,309</u>	<u>212,762,639</u>	<u>244,363,909</u>
<u>(227,845,349)</u>	<u>(268,441,419)</u>	<u>(259,444,657)</u>	<u>(225,581,540)</u>	<u>(143,569,117)</u>	<u>(229,947,026)</u>
250,326,172	264,267,387	277,721,815	290,310,882	302,861,759	326,138,528
2,439,702	4,494,924	3,374,813	462,789	(4,799,952)	5,388,518
719,372	-	12,641	174,666	17,777	-
4,838,512	1,062,240	1,740,904	1,786,052	4,020,895	7,623,310
<u>258,323,758</u>	<u>269,824,551</u>	<u>282,850,173</u>	<u>292,734,389</u>	<u>302,100,479</u>	<u>339,150,356</u>
<u>\$ 30,478,409</u>	<u>\$ 1,383,132</u>	<u>\$ 23,405,516</u>	<u>\$ 67,152,849</u>	<u>\$ 158,531,362</u>	<u>\$ 109,203,330</u>
(2)		(3)			

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 30,560,638	\$ 31,127,148	\$ 36,779,845	\$ 33,750,548
Restricted (1)	738,650	1,256,361	2,337,390	3,309,986
Committed	784,617	691,265	584,464	549,651
Assigned (1)	61,263,536	69,333,798	78,934,013	78,400,495
Unassigned	22,156,848	17,864,685	34,421,993	31,346,672
Total General Fund	<u>\$ 115,504,289</u>	<u>\$ 120,273,257</u>	<u>\$ 153,057,705</u>	<u>\$ 147,357,352</u>
All other governmental funds:				
Nonspendable	\$ 284,349	\$ 32,946	\$ -	\$ 4,608
Restricted	1,044,040	533,232	533,232	533,232
Assigned	64,340,833	56,050,351	55,779,948	65,015,386
Total all other governmental funds	<u>\$ 65,669,222</u>	<u>\$ 56,616,529</u>	<u>\$ 56,313,180</u>	<u>\$ 65,553,226</u>

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) General Fund restricted and assigned fund balance totals have been revised for comparability with current fiscal year calculations. Amounts shown on this schedule for years prior to Fiscal Year 2021/22 may vary from the amounts originally reported in the financial statements.

2018	2019	2020	2021	2022	2023
\$ 34,800,682	\$ 36,732,385	\$ 42,700,572	\$ 41,707,145	\$ 35,424,785	\$ 32,542,882
3,376,801	3,666,427	5,939,111	7,106,303	9,487,598	12,044,728
1,496,954	1,338,850	1,288,272	1,120,950	4,301,785	3,519,541
83,074,597	94,306,294	106,306,363	119,954,162	132,511,586	154,226,631
<u>35,352,256</u>	<u>32,680,670</u>	<u>34,353,935</u>	<u>20,391,894</u>	<u>18,756,847</u>	<u>26,725,234</u>
<u>\$ 158,101,290</u>	<u>\$ 168,724,626</u>	<u>\$ 190,588,253</u>	<u>\$ 190,280,454</u>	<u>\$ 200,482,601</u>	<u>\$ 229,059,016</u>
\$ 25,216	\$ 13,725	\$ 4,247	\$ 14,255	\$ 5,087	\$ 25,589
533,232	391,477	391,477	434,763	611,120	30,171,716
<u>59,924,778</u>	<u>45,076,939</u>	<u>42,451,644</u>	<u>49,295,111</u>	<u>42,895,548</u>	<u>50,696,852</u>
<u>\$ 60,483,226</u>	<u>\$ 45,482,141</u>	<u>\$ 42,847,368</u>	<u>\$ 49,744,129</u>	<u>\$ 43,511,755</u>	<u>\$ 80,894,157</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
<b>Revenues:</b>				
Taxes	\$ 190,873,689	\$ 205,141,237	\$ 219,840,417	\$ 232,832,758
Intergovernmental	19,111,811	23,565,214	25,978,081	29,069,065
Charges for services	97,705,183	102,000,677	103,830,436	106,061,060
Use of money and property (2)	1,091,815	947,940	1,865,616	1,503,122
Miscellaneous (1,2)	1,537,556	1,595,318	2,606,413	4,365,243
Developer contributions	1,271,400	8,307,207	3,233,082	962,627
<b>Total revenues</b>	<b>311,591,454</b>	<b>341,557,593</b>	<b>357,354,045</b>	<b>374,793,875</b>
<b>Expenditures:</b>				
Current - public safety:				
Salaries and benefits	257,134,030	285,988,997	294,414,084	309,507,433
Services and supplies	40,187,878	40,490,370	36,303,618	48,087,618
Capital outlay	7,681,418	16,644,798	3,996,650	12,116,937
Debt service:				
Principal retirement	2,219,152	2,276,963	2,336,279	2,397,140
Interest and fiscal charges	421,845	585,501	935,881	400,887
Issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>307,644,323</b>	<b>345,986,629</b>	<b>337,986,512</b>	<b>372,510,015</b>
Excess (deficiency) of revenues over (under) expenditures	3,947,131	(4,429,036)	19,367,533	2,283,860
<b>Other financing sources (uses):</b>				
Transfers in	5,370,375	6,845,320	78,187	33,724,099
Transfers out	(5,370,375)	(6,845,320)	(78,187)	(33,724,099)
Issuance of long-term debt	-	-	-	-
Sale of capital assets (1)	57,843	112,363	9,930	37,400
Insurance recoveries	360,803	32,948	121,288	1,218,433
<b>Total other financing sources (uses)</b>	<b>418,646</b>	<b>145,311</b>	<b>131,218</b>	<b>1,255,833</b>
<b>Net change in fund balances</b>	<b>\$ 4,365,777</b>	<b>\$ (4,283,725)</b>	<b>\$ 19,498,751</b>	<b>\$ 3,539,693</b>
Debt service as a percentage of noncapital expenditures	0.9%	0.9%	1.0%	0.8%

SOURCE: OCFA Annual Comprehensive Financial Reports

**NOTES:**

(1) Beginning in Fiscal Year 2018/19, proceeds from sale of certain non-capital assets were reported as miscellaneous revenue rather than sale of capital assets. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

(2) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as use of money and property rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2018	2019	2020	2021	2022	2023
\$ 250,326,172	\$ 264,267,387	\$ 277,721,815	\$ 290,310,882	\$ 302,861,759	\$ 326,138,528
37,063,147	28,521,605	41,258,003	58,266,113	57,726,610	76,482,399
108,750,420	113,719,047	138,641,512	138,809,882	146,007,793	150,519,860
2,827,492	4,816,165	3,700,453	499,035	(4,799,952)	5,388,518
4,343,194	1,170,010	6,184,387	3,978,404	11,128,699	23,827,236
3,545,139	454,200	679,800	1,317,000	401,221	1,051,583
<u>406,855,564</u>	<u>412,948,414</u>	<u>468,185,970</u>	<u>493,181,316</u>	<u>513,326,130</u>	<u>583,408,124</u>
340,720,267	346,953,705	375,032,147	406,935,192	419,386,430	420,178,243
49,871,973	49,488,301	67,271,454	71,567,532	80,857,120	101,727,388
9,970,652	20,095,072	7,790,083	9,753,190	12,963,172	72,330,715
2,459,589	1,253,718	-	-	-	-
459,924	333,385	325,640	36,246	-	-
-	-	-	-	-	43,092
<u>403,482,405</u>	<u>418,124,181</u>	<u>450,419,324</u>	<u>488,292,160</u>	<u>513,206,722</u>	<u>594,279,438</u>
<u>3,373,159</u>	<u>(5,175,767)</u>	<u>17,766,646</u>	<u>4,889,156</u>	<u>119,408</u>	<u>(10,871,314)</u>
-	2,150,000	8,000,000	11,059,336	13,877,532	17,039,829
-	(2,150,000)	(8,000,000)	(11,059,336)	(13,877,532)	(17,039,829)
-	-	-	-	12,690	76,593,238
844,512	22,548	142,044	147,194	30,679	2,730
<u>1,456,267</u>	<u>775,470</u>	<u>1,320,164</u>	<u>1,552,612</u>	<u>1,632,834</u>	<u>234,163</u>
<u>2,300,779</u>	<u>798,018</u>	<u>1,462,208</u>	<u>1,699,806</u>	<u>1,676,203</u>	<u>76,830,131</u>
<u>\$ 5,673,938</u>	<u>\$ (4,377,749)</u>	<u>\$ 19,228,854</u>	<u>\$ 6,588,962</u>	<u>\$ 1,795,611</u>	<u>\$ 65,958,817</u>
0.7%	0.4%	0.1%	0.0%	0.0%	0.0%



**Orange County Fire Authority**



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**ORANGE COUNTY FIRE AUTHORITY**

**Revenue Capacity Information**

**Assessed Value and Estimated Actual Value of Taxable Property** – Presents information on the assessed property values of each city and the unincorporated area within the OCFA’s jurisdiction for each of the last ten fiscal years.

**Property Tax Rates of Direct and Overlapping Governments** – Presents the County of Orange’s direct property tax rate, as well as the rates of any overlapping governments that are applied to the same revenue base.

**Principal Property Tax Payers** – Presents information about the OCFA’s ten largest property tax payers for the current fiscal year, as compared to nine fiscal years ago.

**Property Tax Levies and Collections** – Presents information on the levy and subsequent collection of OCFA’s property taxes for each of the last ten fiscal years.

**ORANGE COUNTY FIRE AUTHORITY**  
**Assessed Value (1) and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Jurisdiction	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Buena Park	\$ 7,886,342	\$ 8,313,496	\$ 8,769,022	\$ 9,229,491
Garden Grove (4)	n/a	n/a	n/a	n/a
Placentia (5)	5,203,417	5,519,085	5,878,473	6,133,423
San Clemente	12,824,727	13,666,851	14,447,434	15,269,878
Santa Ana	21,119,683	22,075,383	23,013,226	23,886,126
Seal Beach	4,580,472	4,891,060	5,081,691	5,167,629
Stanton	2,144,270	2,297,508	2,433,266	2,569,937
Tustin	9,732,381	10,292,805	11,004,027	11,577,792
Westminster	7,176,141	7,628,669	8,279,644	8,410,335
<b>Total cash contract cities (3)</b>	<b>70,667,433</b>	<b>74,684,857</b>	<b>78,906,783</b>	<b>82,244,611</b>
Aliso Viejo	7,877,812	8,440,740	8,765,964	9,262,105
Cypress	5,854,809	6,104,218	6,463,650	6,751,019
Dana Point	9,126,750	9,787,132	10,513,667	11,209,516
Irvine	51,002,248	55,693,885	60,912,694	65,754,243
Laguna Hills	5,643,545	5,961,947	6,256,109	6,506,374
Laguna Niguel	12,402,919	13,270,851	14,015,647	14,571,803
Laguna Woods	2,237,288	2,424,736	2,620,217	2,772,774
Lake Forest	11,238,775	11,920,081	12,672,969	13,710,657
La Palma	1,744,907	1,829,353	1,904,950	1,998,105
Los Alamitos	1,674,933	1,778,110	1,887,771	1,961,259
Mission Viejo	13,639,460	14,533,544	15,262,434	15,835,376
Rancho Santa Margarita	6,759,144	7,231,597	7,572,862	7,810,951
San Juan Capistrano	6,039,344	6,443,224	6,828,239	7,190,143
Villa Park	1,466,599	1,527,255	1,596,806	1,674,085
Yorba Linda	11,857,840	12,668,130	13,488,124	14,098,053
Unincorporated	21,915,863	23,573,390	24,999,336	26,380,370
<b>Total SFF jurisdictions (2)</b>	<b>170,482,236</b>	<b>183,188,193</b>	<b>195,761,439</b>	<b>207,486,833</b>
Percentage change from prior year	3.40%	7.45%	6.86%	5.99%
<b>Total assessed valuation</b>	<b>\$ 241,149,669</b>	<b>\$ 257,873,050</b>	<b>\$ 274,668,222</b>	<b>\$ 289,731,444</b>
<b>Total direct tax rate</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>

SOURCE: County of Orange, Auditor-Controller, Assessed Valuations by Fiscal Year

[http://acweb1.ocgov.com/ac/txfdr\\_Civica/av/](http://acweb1.ocgov.com/ac/txfdr_Civica/av/)

**NOTES:**

- (1) Assessed value is stated at taxable full cash value. These values may include an increased value over the base year for that portion of the city or district which lies within a redevelopment agency.
- (2) Assessed value for these cities is part of the Structural Fire Fund (SFF).
- (3) Cities pay for services on a cash contract basis. Assessed value is shown for comparison only.
- (4) The City of Garden Grove joined OCFA on August 16, 2019.
- (5) The City of Placentia was no longer a member of the OCFA beginning in Fiscal Year 2020/21.

FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
\$ 9,771,180	\$ 10,534,143	\$ 11,010,946	\$ 11,489,594	\$ 11,855,322	\$ 12,589,754
n/a	n/a	17,647,291	18,531,828	19,305,133	20,300,953
6,445,280	6,778,269	7,057,342	n/a	n/a	n/a
16,078,965	16,904,336	17,783,910	18,559,898	19,331,274	20,620,279
25,232,515	26,520,241	27,943,961	29,080,200	30,541,317	32,471,833
5,428,187	5,625,920	5,981,331	6,200,421	6,402,225	6,857,456
2,679,870	2,836,469	3,015,953	3,303,024	3,635,925	3,847,721
12,399,614	13,043,122	13,658,894	14,373,207	14,813,295	15,767,388
8,907,507	9,391,194	9,801,405	10,290,576	10,675,124	11,263,281
<u>86,943,118</u>	<u>91,633,694</u>	<u>113,901,033</u>	<u>111,828,748</u>	<u>116,559,615</u>	<u>123,718,665</u>
9,757,603	10,320,678	10,706,653	11,057,982	11,357,670	11,852,955
7,049,085	7,492,895	7,865,560	8,175,217	8,469,982	9,069,906
12,184,560	12,716,978	13,330,883	13,901,090	14,477,213	15,778,385
71,898,708	78,439,756	85,045,012	90,058,179	95,193,732	100,230,096
6,744,152	7,169,367	7,360,865	7,648,234	7,983,815	8,263,937
15,341,994	15,925,158	16,566,379	17,211,775	17,682,694	18,623,846
2,949,710	3,141,574	3,308,199	3,655,931	3,634,773	3,775,181
14,701,561	15,968,847	17,239,225	17,826,418	18,890,933	20,061,522
2,042,167	2,137,829	2,218,935	2,294,417	2,379,789	2,494,402
2,068,339	2,165,016	2,279,998	2,430,512	2,609,209	2,763,749
16,538,595	17,362,619	18,087,505	18,749,279	19,367,780	20,452,244
8,247,183	8,640,697	8,947,481	9,238,425	9,475,954	9,997,272
7,600,135	7,959,762	8,336,034	8,820,714	9,244,605	9,826,866
1,755,259	1,836,352	1,912,173	1,993,610	2,071,954	2,197,619
14,862,265	15,623,191	16,292,118	16,933,257	17,534,010	18,505,831
28,230,720	29,526,544	31,132,442	32,498,066	33,578,578	35,923,481
<u>221,972,036</u>	<u>236,427,263</u>	<u>250,629,462</u>	<u>262,493,106</u>	<u>273,952,691</u>	<u>289,817,292</u>
6.98%	6.51%	6.01%	4.73%	4.37%	5.79%
<u>\$ 308,915,154</u>	<u>\$ 328,060,957</u>	<u>\$ 364,530,495</u>	<u>\$ 374,321,854</u>	<u>\$ 390,512,306</u>	<u>\$ 413,535,957</u>
0.11%	0.11%	0.11%	0.11%	0.11%	0.11%

(5) In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**ORANGE COUNTY FIRE AUTHORITY**  
**Property Tax Rates of Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	County of Orange (B)			OCFA (B)
	Overlapping	Direct		Direct
	Basic Operating Levy	Debt Service	Total	Basic Operating Levy
2014	1.00000	0.00000	1.00000	0.0011
2015	1.00000	0.00000	1.00000	0.0011
2016	1.00000	0.00000	1.00000	0.0011
2017	1.00000	0.00000	1.00000	0.0011
2018	1.00000	0.00000	1.00000	0.0011
2019	1.00000	0.00000	1.00000	0.0011
2020	1.00000	0.00000	1.00000	0.0011
2021	1.00000	0.00000	1.00000	0.0011
2022	1.00000	0.00000	1.00000	0.0011
2023	1.00000	0.00000	1.00000	0.0011
	(A)	(A)		(C)

SOURCE:

- (A) County of Orange, Auditor-Controller, Tax Rate Books by Fiscal Year  
<http://acdcweb01.ocgov.com/about/central-accounting/property-tax-accounting/tax-rate-book>
- (B) Data for the entire County of Orange is not limited to the cities/unincorporated areas served by the Orange County Fire Authority. Data for OCFA is limited to its member cities that are part of the Structural Fire Fund (SFF).
- (C) Direct tax rate calculation per the "Assessed Value and Estimated Actual Value of Taxable Property" schedule included in this report.

NOTE: This schedule presents tax rates per \$100 of assessed/full cash value.

**ORANGE COUNTY FIRE AUTHORITY**  
**Principal Property Tax Payers**  
**Current and Nine Years Ago**  
**(Dollars in Thousands)**

Property Tax Payer	Fiscal Year 2013/14 (A)			Fiscal Year 2022/23 (B)		
	Actual Taxes		Percent of	Actual Taxes		Percent
	Levied	Rank	Total Taxes Levied	Levied	Rank	of Total Taxes Levied
Irvine Company	\$ 114,098	1	2.22%	\$ 191,000	1	2.45%
Walt Disney Parks & Resorts U.S.	\$ 51,566	2	1.00%	\$ 73,265	2	0.94%
Southern California Edison Company (Edison International)	\$ 33,028	3	0.64%	\$ 58,007	3	0.74%
Sempra Energy (SDG&E, Southern California Gas)	\$ 4,356	10	0.08%	\$ 17,884	4	0.23%
United Laguna Hills Mutual (Laguna Woods)	\$ 7,072	6	0.14%	\$ 12,231	5	0.16%
BEX Portfolio, Inc.				\$ 8,846	6	0.11%
AES Corporation				\$ 7,930	7	0.10%
Five Point Holdings, LLC				\$ 7,549	8	0.10%
Bella Terra Associates, LLC				\$ 6,480	9	0.08%
LBA IV-PPI LLC (LBA Realty)				\$ 6,312	10	0.08%
Heritage Fields El Toro	\$ 10,107	4	0.20%			
Pacific Bell Telephone Company (AT&T; SBC California)	\$ 8,223	5	0.16%			
Oxy USA, Inc.	\$ 6,175	7	0.12%			
Linn Western Operating, Inc.	\$ 4,690	8	0.09%			
OC/SD Holdings LLC	\$ 4,653	9	0.09%			

**SOURCE:**

(A) OCFA Annual Comprehensive Financial Report for Fiscal Year 2013/14, which was based on the County of Orange, Treasurer-Tax Collector's "Top 10 Secured Taxpayer List" for Fiscal Year 2013/14.

(B) County of Orange, Treasurer-Tax Collector, Top 20 Secured Taxpayer List for Fiscal Year 2021/22 (<http://www.ttc.ocgov.com/rptstats/stats>). Updated Fiscal Year 2022/23 data is not available from the County of Orange at the time of this report's publication.

**NOTE:**

This schedule presents data for the entire County of Orange and is not limited to the cities/unincorporated areas served by the Orange County Fire Authority.

**ORANGE COUNTY FIRE AUTHORITY  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(dollars in thousands)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection of Prior Year Levies		Collection of Penalties and Interest		Total Collection to Date		Collection of Property Tax Increment Pass-Through (1)	
		Amount	% of Levy	Teeter Plan	Delinquencies and Other	Delinquency Penalties	Interest	Total Amounts Collected	% of Levy	RDA	H&S
2014	\$192,876	\$187,828	97.4%	\$ 1,371	\$ 49	\$ 32	\$ 37	\$189,317	98.2%	\$ 6,958	\$ 208
2015	\$207,775	\$202,356	97.4%	\$ 1,336	\$ 50	\$ 32	\$ 38	\$203,812	98.1%	\$ 8,110	\$ 605
2016	\$224,452	\$216,219	96.3%	\$ 1,368	\$ 157	\$ 38	\$ 73	\$217,855	97.1%	\$ 9,180	\$ 639
2017	\$237,082	\$229,934	97.0%	\$ 1,329	\$ 140	\$ 35	\$ 105	\$231,543	97.7%	\$ 9,237	\$ 662
2018	\$253,371	\$246,607	97.3%	\$ 1,461	\$ 156	\$ 36	\$ 189	\$248,449	98.1%	\$ 11,095	\$ 694
2019	\$267,727	\$262,561	98.1%	\$ 1,737	\$ 149	\$ 42	\$ 248	\$264,737	98.9%	\$ 9,627	\$ 732
2020	\$280,282	\$273,453	97.6%	\$ 2,202	\$ 165	\$ 47	\$ 342	\$276,209	98.5%	\$ 13,256	\$ 774
2021	\$292,841	\$286,140	97.7%	\$ 1,825	\$ 257	\$ 68	\$ 206	\$288,496	98.5%	\$ 15,265	\$ 812
2022	\$308,133	\$299,004	97.0%	\$ 2,089	\$ 199	\$ 50	\$ 79	\$301,421	97.8%	\$ 16,897	\$ 325
2023	\$331,928	\$321,782	96.9%	\$ 2,336	\$ (78)	\$ 38	\$ 404	\$324,482	97.8%	\$ 16,846	\$ 870

SOURCE:

County of Orange, Auditor-Controller, Tax Ledger Detail by Fiscal Year

Tax Ledger Selection C84 Orange County Fire Authority

[http://tax.ocgov.com/acledger/choice\\_eGov.asp](http://tax.ocgov.com/acledger/choice_eGov.asp)

NOTES:

- (1) Upon dissolution of California redevelopment agencies during Fiscal Year 2011/12, property tax increment formerly remitted to OCFA by its member city redevelopment agencies was instead deposited into the newly formed Redevelopment Property Tax Trust Fund (RPTTF) from which the Auditor/Controller made disbursements on behalf of the successor agencies. There is no tax levy associated with these collections; thus, they have been excluded from the "% of levy collected" calculations.

ORANGE COUNTY FIRE AUTHORITY

Debt Capacity Information

**Ratios of Outstanding Debt by Type** – Presents information on the OCFA’s total outstanding debt for each of the last ten fiscal years, including the ratio of outstanding debt to median family income and the calculation of outstanding debt per capita.

The following schedules are not included in OCFA’s Annual Comprehensive Financial Report:

**Computation of Legal Debt Margin** – OCFA is not subject to a legal debt margin.

**Ratios of General Bonded Debt Outstanding** – OCFA has not had any bonded debt outstanding for the last ten fiscal years.

**Pledged Revenue Coverage** – Debt of OCFA is not secured by a pledged revenue stream.

**Computation of Direct and Overlapping Debt** – This schedule is not required for regional governments such as OCFA.



**ORANGE COUNTY FIRE AUTHORITY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ended June 30	Governmental Activities (A)		(B)	(C)		
	Capital Lease Purchase Agreements	Total Outstanding Debt	County of Orange Median Household Income	Debt as a Percentage of Household Income	Population (OCFA Jurisdiction Only)	Debt per Capita
2014	\$ 10,724	\$ 10,724	\$85	12616.5%	1,734	\$6
2015	\$ 8,447	\$ 8,447	\$86	9822.1%	1,755	\$5
2016	\$ 6,110	\$ 6,110	\$85	7188.2%	1,784	\$3
2017	\$ 3,713	\$ 3,713	\$88	4219.3%	1,793	\$2
2018	\$ 1,254	\$ 1,254	\$93	1348.4%	1,808	\$1
2019	\$ -	\$ -	\$98	0.0%	1,808	\$0
2020	\$ -	\$ -	\$103	0.0%	1,966	\$0 (1)
2021	\$ -	\$ -	\$107	0.0%	1,891	\$0 (2)
2022	\$ -	\$ -	\$119	0.0%	1,910	\$0
2023	\$ 57,882	\$ 57,882	\$128	45220.3%	1,894	\$31

**SOURCES:**

- (A) Details regarding OCFA's outstanding debt can be found in the notes to the financial statements.
- (B) U.S. Department of Housing and Urban Development, Median Family Income Documentation System by Fiscal Year (estimate) <http://www.huduser.org/portal/datasets/il.html>
- (C) California Department of Finance, Population and Housing Estimates as of January 1 <http://www.dof.ca.gov/forecasting/demographics/estimates>

**NOTES:**

- (1) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of Garden Grove became a member of the OCFA in August 2019, its population data is included with population totals beginning in Fiscal Year 2019/20. The Fiscal Year 2019/20 population total includes 174,801 for the City of Garden Grove.
- (2) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of City of Placentia is no longer a member of the OCFA effective July 1, 2020, its population data is not included with population totals beginning in Fiscal Year 2020/21. The Fiscal Year 2020/21 population total excludes 51,173 for the City of Placentia.

**ORANGE COUNTY FIRE AUTHORITY**

**Demographic and Economic Information**

**Demographic and Economic Indicators** – Presents information regarding population, personal income, per capita income and the unemployment rate for the County of Orange for each of the last ten fiscal years.

**Population and Housing Statistics** – Presents information on population and housing units of each city and the unincorporated area within the OCFA’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

**Principal Employers** – Presents information about the ten largest employers within the County of Orange’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

**ORANGE COUNTY FIRE AUTHORITY**  
**Demographic and Economic Indicators**  
**Last Ten Fiscal Years**  
**(amounts in thousands)**

Fiscal Year Ended June 30	(A)	(B)		(C)
	Population of Orange County	Total Personal Income	Per Capita Income	Unemployment Rate
2014	3,114	\$ 179,141,000	\$ 57,528	5.7
2015	3,147	\$ 193,081,000	\$ 61,354	4.7
2016	3,183	\$ 200,783,000	\$ 63,080	4.3
2017	3,194	\$ 205,052,000	\$ 64,199	3.8
2018	3,221	\$ 212,807,000	\$ 66,069	3.2
2019	3,222	\$ 221,716,000	\$ 68,813	3.0
2020	3,194	\$ 241,153,000	\$ 75,502	13.1
2021	3,154	\$ 256,700,000	\$ 81,389	6.9
2022	3,162	\$ 257,865,000	\$ 81,551	3.2
2023	3,137	\$ 266,043,000	\$ 84,808	3.7

**SOURCES:**

- (A) California Department of Finance  
 Population and Housing Estimates Table E-5, As of January 1  
<http://www.dof.ca.gov/forecasting/demographics/estimates>
  
- (B) Chapman University Economic & Business Review  
 Annual History and Forecasts  
 Years 2018 - 2022 have been updated with revised data available as of June 30, 2023.  
 The most recent year (2023) is a forecasted estimate.
  
- (C) Bureau of Labor Statistics (<https://www.bls.gov/data/>), Local Area Unemployment Statistics, Anaheim-Santa Ana-Irvine, CA Metropolitan Statistical Area. Figures reflect revised inputs, re-estimation, and new statewide control, if applicable. Unemployment rate is the monthly rate for June of the applicable fiscal year (i.e., June 2023 for FY 2022/23). The amount reported for the most recent fiscal year is based on preliminary BLS data.

**NOTE:**

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Population and Housing Statistics**  
**Current and Nine Years Ago**

Jurisdiction	Population			Housing Units		
	2014	2023	% Change	2014	2023	% Change
Aliso Viejo	49,951	50,766	1.6%	19,342	20,189	4.4%
Buena Park	82,344	83,517	1.4%	24,711	25,868	4.7%
Cypress	48,886	49,818	1.9%	16,128	16,995	5.4%
Dana Point	34,037	33,155	-2.6%	15,964	16,534	3.6%
Garden Grove (1)	173,953	171,183	-1.6%	47,723	49,203	3.1%
Irvine	242,651	303,051	24.9%	90,562	125,211	38.3%
Laguna Hills	30,857	30,525	-1.1%	10,995	11,433	4.0%
Laguna Niguel	64,460	64,702	0.4%	25,424	27,827	9.5%
Laguna Woods	16,581	17,450	5.2%	13,079	13,414	2.6%
Lake Forest	79,139	87,127	10.1%	27,257	31,631	16.0%
La Palma	15,896	15,332	-3.5%	5,234	5,275	0.8%
Los Alamitos	11,729	12,129	3.4%	4,380	4,541	3.7%
Mission Viejo	95,334	91,846	-3.7%	34,300	35,116	2.4%
Rancho Santa Margarita	48,834	47,066	-3.6%	17,284	17,606	1.9%
San Clemente	64,874	63,237	-2.5%	26,025	26,757	2.8%
San Juan Capistrano	35,900	35,089	-2.3%	12,160	12,570	3.4%
Santa Ana	331,953	299,630	-9.7%	77,133	82,058	6.4%
Seal Beach	24,591	24,647	0.2%	14,539	14,675	0.9%
Stanton	38,963	39,084	0.3%	11,299	12,102	7.1%
Tustin	78,360	79,558	1.5%	26,957	28,405	5.4%
Villa Park	5,935	5,790	-2.4%	2,020	2,030	0.5%
Westminster	91,652	90,498	-1.3%	27,727	28,268	2.0%
Yorba Linda	67,069	67,068	0.0%	22,856	23,763	4.0%
Unincorporated	121,473	132,114	8.8%	39,506	44,578	12.8%
Total OCFA, adjusted (1)	1,855,422	1,894,382	2.1%	612,605	676,049	10.4%
Total non-OCFA (2)	1,258,569	1,242,782	-1.3%	450,361	473,894	5.2%
Total Orange County	<u>3,113,991</u>	<u>3,137,164</u>	0.7%	<u>1,062,966</u>	<u>1,149,943</u>	8.2%
Total OCFA, adjusted	1,855,422			612,605		
Less: Garden Grove totals	(173,953)			(47,723)		
Plus: Placentia totals	52,094			17,066		
Total OCFA, actual as reported nine years ago	<u>1,733,563</u>	<u>1,894,382</u>	9.3%	<u>581,948</u>	<u>676,049</u>	16.2%

SOURCE: California Department of Finance, Population and Housing Estimates Table E-5

As of January 1, 2014 and 2023 <http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTE:

- (1) Before Garden Grove became an OCFA member city in August 2019, the city's data was included in the "non-OCFA" total. However, Garden Grove's 2014 data has been identified separately for comparison purposes.
- (2) Prior to Fiscal Year 2020/21, data for the City of Placentia was presented separately as an OCFA member. Effective July 1, 2020, the city is no longer a member of OCFA and its data is combined in the "non-OCFA" total. Placentia's 2014 data has also been reported in the "non-OCFA" total for comparison purposes.

**ORANGE COUNTY FIRE AUTHORITY**  
**Principal Employers**  
**Current and Nine Years Ago**

Employer	Fiscal Year 2013/14			Fiscal Year 2022/23		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
University of California, Irvine	21,800	2	1.42%	26,182	1	1.63%
Walt Disney Co.	25,000	1	1.63%	25,000	2	1.56%
County of Orange	17,257	3	1.13%	18,388	3	1.15%
Providence				13,079	4	0.82%
Kaiser Permanente	6,300	6	0.41%	8,800	5	0.55%
Albertsons				7,853	6	0.49%
Hoag Memorial Hospital				7,051	7	0.44%
Walmart, Inc.				6,300	8	0.39%
Target Corporation	5,400	9	0.35%	6,000	9	0.37%
MemorialCare (MemorialCare Health Systems)	5,545	8	0.36%	5,490	10	0.34%
St. Joseph Health System	11,679	4	0.76%			
Boeing Co.	6,873	5	0.45%			
Bank of America Corporation	6,000	7	0.39%			
Cedar Fair, LP	5,200	10	0.34%			

**SOURCE:**

County of Orange Annual Comprehensive Financial Report for Fiscal Year 2021/22

For years ended June 30, 2022 and 2013

Amounts are reported one year in arrears due to availability of data at time of publication of this document.

<http://acdcweb01.ocgov.com/reports/acfrreports/>

**NOTE:**

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**

**Operating Information**

**Authorized Positions by Unit** – Presents the number of authorized positions by unit for each of the last ten fiscal years.

**Frozen Positions by Unit** – Presents the number of frozen positions by unit as of June 30 for each of the last ten fiscal years.

**Jurisdiction Information** – Presents information on the OCFA’s member agencies, square mile area served, population served, and number of fire stations for each of the last ten fiscal years.

**Incidents by Major Category Definitions** – Provides OCFA’s definitions for categories of major incidents.

**Incidents by Type** – Presents the number of OCFA major incidents by category for each of the last ten fiscal years.

**Incidents by Member Agency** – Presents the number of OCFA major incidents by member agency for each of the last ten fiscal years.

**Capital Equipment by Category** – Presents the historical cost and quantity of capital equipment by category for each of the last ten fiscal years.

**Capital Vehicles by Category** – Presents the historical cost and quantity of capital vehicles by category for each of the last ten fiscal years.

**Map of Division/Battalion Boundaries and Station Locations** – This Orange County map identifies the areas included within OCFA’s jurisdiction, the boundaries of its divisions/battalions, and the locations of all OCFA fire stations.

**List of Stations by Member Agency** – Presents a list of OCFA fire stations and street addresses by member agency.

**Description of the Organization, Programs and Service Delivery** – Provides an overview of the activities and responsibilities carried out by each of the OCFA’s departments.

**ORANGE COUNTY FIRE AUTHORITY**  
**Authorized Positions by Unit**  
**Last Ten Fiscal Years**

Unit	As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Firefighter	1,011	1,011	1,023	1,023	1,048	1,153	1,152	1,151	1,158	1,184
Fire Management	45	45	45	45	45	52	53	53	54	53
General	205	205	213	213	211	252	248	248	246	248
Supervisory Management	27	27	27	27	30	32	33	34	34	34
Supported Employment	4	4	4	4	4	4	4	4	4	4
Administrative Management	44	44	43	43	43	41	46	47	50	50
Executive Management	7	8	8	8	7	10	10	10	10	11
Subtotal	1,343	1,344	1,363	1,363	1,388	1,544	1,546	1,547	1,556	1,584
Board Director	-	-	-	-	25	25	25	25	25	25
Total authorized positions	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>	<u>1,581</u>	<u>1,609</u>
Funded positions:										
General Operating Fund	<u>1,240</u>	<u>1,244</u>	<u>1,274</u>	<u>1,284</u>	<u>1,400</u>	<u>1,566</u>	<u>1,541</u>	<u>1,540</u>	<u>1,577</u>	<u>1,596</u>
Total funded positions	<u>1,240</u>	<u>1,244</u>	<u>1,274</u>	<u>1,284</u>	<u>1,400</u>	<u>1,566</u>	<u>1,541</u>	<u>1,540</u>	<u>1,577</u>	<u>1,596</u>
Unfunded positions:										
Unbudgeted positions	3	3	3	3	-	-	-	-	-	-
Frozen	<u>100</u>	<u>97</u>	<u>86</u>	<u>76</u>	<u>13</u>	<u>3</u>	<u>30</u>	<u>32</u>	<u>4</u>	<u>13</u>
Total unfunded positions	<u>103</u>	<u>100</u>	<u>89</u>	<u>79</u>	<u>13</u>	<u>3</u>	<u>30</u>	<u>32</u>	<u>4</u>	<u>13</u>
Total authorized positions	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>	<u>1,581</u>	<u>1,609</u>
Increase (decrease) from prior fiscal year:										
Total funded positions	2	4	30	10	116	166	(25)	(1)	37	19
Total unfunded positions	<u>(2)</u>	<u>(3)</u>	<u>(11)</u>	<u>(10)</u>	<u>(66)</u>	<u>(10)</u>	<u>27</u>	<u>2</u>	<u>(28)</u>	<u>9</u>
Total authorized positions	<u>-</u>	<u>1</u>	<u>19</u>	<u>-</u>	<u>50</u>	<u>156</u>	<u>2</u>	<u>1</u>	<u>9</u>	<u>28</u>
					(1)	(2)				(3)

SOURCE: OCFA Treasury Division, Budget Section

NOTES:

- (1) During Fiscal Year 2017/18, Board Members were converted into employee positions and added to the authorized position control (25 positions).
- (2) The net increase of total authorized positions during Fiscal Year 2018/19 included 99 authorized positions for employees transitioning from the City of Garden Grove (74 Firefighter Unit, 3 Fire Management Unit, 22 General Unit).
- (3) The net increase of total authorized positions during Fiscal Year 2022/23 included 20 authorized positions for a state-funded hand crew (20 Firefighter Unit).

**ORANGE COUNTY FIRE AUTHORITY**  
**Frozen Positions by Unit**  
**Last Ten Fiscal Years**

Unit / Position	As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Firefighter Unit:</b>										
Fire Apparatus Engineer	24	24	21	20	-	-	6	6	-	-
Fire Captain	27	27	24	22	3	1	7	7	1	1
Fire Pilot	1	1	1	1	-	-	-	-	-	-
Firefighter	18	18	18	18	-	-	15	15	-	-
Hand Crew Firefighter Limited Term	-	-	-	-	-	-	-	-	-	9
Heavy Fire Equipment Operator	1	1	1	1	-	-	-	-	-	-
<b>Total Firefighter Unit</b>	<b>71</b>	<b>71</b>	<b>65</b>	<b>62</b>	<b>3</b>	<b>1</b>	<b>28</b>	<b>28</b>	<b>1</b>	<b>10</b>
<b>Fire Management Unit:</b>										
Fire Battalion Chief	2	2	2	1	-	-	-	-	-	-
<b>Total Fire Management Unit</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Unit:</b>										
Accountant	1	1	1	-	-	-	-	-	-	-
Administrative Assistant	5	5	4	1	1	-	-	-	-	-
Business Analyst	1	1	1	-	-	-	-	-	-	-
Communications Installer	-	-	-	-	-	-	-	1	1	1
Communications Installer (Part-Time)	-	-	-	-	-	-	-	1	1	1
Fire Equipment Technician	1	1	1	-	-	-	-	-	-	-
Fire Prevention Analyst	4	4	4	4	2	-	-	-	-	-
Fire Prevention Specialist	2	-	-	-	-	-	-	-	-	-
Human Resources Analyst	1	1	-	-	-	-	-	-	-	-
Office Services Specialist	3	3	-	-	-	1	1	1	-	-
Senior Fire Prevention Specialist	2	2	2	2	2	-	-	-	-	-
<b>Total General Unit</b>	<b>20</b>	<b>18</b>	<b>13</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Supervisory Management Unit:</b>										
Assistant Fire Marshal	1	1	1	1	1	-	-	-	-	-
Information Technology Supervisor	1	1	-	-	-	-	-	-	-	-
Senior Fire Communications Supervisor	-	-	-	-	1	-	-	-	-	-
<b>Total Supervisory Management Unit</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administrative Management Unit:</b>										
Assistant IT Manager	-	-	1	1	1	-	-	-	-	-
Benefits Services Manager	-	-	-	1	-	-	-	-	-	-
Management Analyst	1	1	1	1	1	-	-	-	-	-
ODT Program Manager	1	-	-	-	-	1	1	1	1	1
Senior Accountant	2	2	2	2	1	-	-	-	-	-
Senior Human Resources Analyst	1	1	1	-	-	-	-	-	-	-
<b>Total Administrative Management Unit</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total frozen positions</b>	<b>100</b>	<b>97</b>	<b>86</b>	<b>76</b>	<b>13</b>	<b>3</b>	<b>30</b>	<b>32</b>	<b>4</b>	<b>13</b>

SOURCE: Orange County Fire Authority, Treasury Division, Budget Section



**ORANGE COUNTY FIRE AUTHORITY**  
**Jurisdiction Information**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	(A)	(B)	(C)	(A)	New and Closed Station(s)	
	Number of Member Agencies	Square Mile Area Served	Population Served	Number of Stations	+/-	Description
2014	24	571	1,733,563	71	-	
2015	24	571	1,755,436	71	-	
2016	24	576	1,783,505	72	1	New Station 56 (County/Rancho Mission Viejo)
2017	24	576	1,793,040	72	-	
2018	24	576	1,807,862	72	-	
2019	24	576	1,807,560	72	-	
2020	25	593	1,966,019	79	7	New Stations 80 through 86 (Garden Grove)
2021	24	587	1,891,414	77	(2)	Removed Stations 34 and 35 (Placentia)
2022	24	587	1,910,233	77	-	
2023	24	586	1,894,382	77	-	

**SOURCES:**

- (A) Orange County Fire Authority, Clerk of the Authority
- (B) Orange County Fire Authority, Geographic Information Systems
- (C) California Department of Finance, Population and Housing Estimates as of January 1  
<http://www.dof.ca.gov/forecasting/demographics/estimates>

**NOTES:** The City of Garden Grove became an OCFA member city in Fiscal Year 2019/20.  
The City of Placentia was no longer an OCFA member city effective Fiscal Year 2020/21.

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Major Category Definitions**

**Fire:** This category includes fire responses, even if the fire has been extinguished upon arrival. This category also includes combustion explosions with no resulting fire. Examples of this category include structure fires, rubbish fires, dumpster fires, and vehicle fires.

**Rupture/Explosion:** This category includes vessels or containers that suffer failure or near failure due to extreme pressure from either an outside source, such as direct heating, or internally due to a cooling system failure or over-filling, such as a propane tank. Examples of this category also include explosions from bombs, dynamite, or similar explosives.

**Rescue/EMS:** This category includes all medical aids, illness, and heart attacks, as well as traffic accidents and missing persons.

**Hazardous Condition:** This category includes Hazardous Materials incidents; electrical wire arcing; suspected drug labs; or situations where there is a perceived problem that may prove to be a potential emergency.

**Service Call:** This category includes incidents for persons in distress, such as a lock-in or lock-out of a vehicle or dwelling creating an emergency situation or critical need, and smoke or odor problems. This category would also include moving units from one station to another to provide area coverage.

**Good Intent:** This category includes incidents that are cleared prior to arrival, such as a medical aid where the injured party has left the scene, or the initial information indicated that there were injuries and upon arrival no persons were injured. This category may also include calls where the informant has mistaken steam for smoke.

**False Alarm:** Some examples of the incidents in this category are malicious mischief calls, system malfunctions, and the accidental tripping of an interior alarm sensor or device.

**Natural Disaster:** This category includes incidents that are not normal occurrences, such as earthquakes, lightning strikes, hurricanes, and other weather or natural events.

SOURCE: Orange County Fire Authority, Emergency Command Center & Emergency Strategic Services Divisions

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30 (1)	Fire	Rupture/ Explosion	Rescue/ EMS	Hazardous Condition	Service Call	Good Intent	False Alarm	Natural Disaster	Other	Total
2014	1,936	220	83,762	1,254	6,978	12,411	6,238	6	220	113,025
2015	1,898	229	94,740	1,220	6,996	12,046	6,515	5	345	123,994
2016	2,338	197	102,994	1,314	7,921	13,261	6,575	6	9	134,615
2017	2,372	192	106,679	1,466	7,819	14,207	6,644	37	67	139,483
2018	2,651	147	110,327	1,163	7,955	14,010	6,060	3	68	142,384
2019	2,161	154	111,044	1,322	6,948	14,353	7,016	13	589	143,600
2020	2,313	226	114,758	1,348	7,978	18,532	7,482	12	137	152,786 (2)
2021	2,688	221	113,735	1,317	8,777	18,737	6,616	27	171	152,289 (2,3)
2022	2,863	177	127,367	1,203	9,406	21,444	6,973	22	144	169,599
2023	2,536	130	133,591	1,139	9,879	22,286	7,723	42	157	177,483

SOURCE:  
 Orange County Fire Authority, Command & Emergency Planning Division

- NOTES:
- (1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.
  - (2) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.
  - (3) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Member Agency**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30 (1)

Member	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Aliso Viejo	2,194	2,420	2,511	2,654	2,810	2,871	3,022	3,172	3,347	3,666
Buena Park	6,057	6,569	7,016	7,053	7,193	7,242	7,175	7,363	8,347	8,481
Cypress	2,633	2,833	3,013	3,145	3,238	3,292	3,215	3,162	3,631	3,765
Dana Point	2,925	3,297	3,291	3,663	3,717	3,399	3,343	3,334	3,692	3,820
Garden Grove (2)	n/a	n/a	n/a	n/a	n/a	n/a	11,288	13,557	15,217	15,477
Irvine	12,896	13,875	14,688	15,967	16,325	16,797	16,481	15,704	18,744	19,938
La Palma	925	1,036	1,059	1,212	1,303	1,282	1,224	1,210	1,352	1,362
Laguna Hills	2,584	2,675	2,887	3,078	3,303	3,303	3,122	3,263	3,842	3,878
Laguna Niguel	3,685	3,584	3,861	4,054	3,947	4,192	4,421	4,268	4,918	5,246
Laguna Woods	4,306	4,847	5,319	5,636	5,281	5,342	4,967	5,353	5,548	5,706
Lake Forest	4,297	4,651	4,995	5,474	5,333	5,335	5,378	5,629	6,426	6,506
Los Alamitos	1,123	1,254	1,380	1,360	1,477	1,468	1,405	1,363	1,553	1,534
Mission Viejo	6,791	7,072	7,508	7,777	8,041	7,989	7,718	7,512	8,864	9,504
Placentia (3)	2,806	2,981	3,132	3,325	3,609	3,564	3,616	n/a	n/a	n/a
Rancho Santa Margarita	2,111	2,254	2,415	2,447	2,542	2,366	2,521	2,518	2,574	2,915
San Clemente	4,334	4,668	5,080	5,311	5,239	5,069	4,999	5,168	5,657	5,820
San Juan Capistrano	2,934	3,164	3,629	3,899	3,931	3,786	3,571	3,552	4,090	4,263
Santa Ana	19,303	21,465	23,455	25,074	26,707	27,518	27,335	27,493	29,340	31,274
Seal Beach	3,343	3,783	4,882	4,753	4,591	4,216	4,300	4,276	4,760	4,937
Stanton	2,879	3,113	3,413	3,396	3,284	3,343	3,645	3,701	4,134	4,357
Tustin	4,614	5,205	5,406	5,419	5,470	5,748	5,623	5,780	6,392	6,406
Villa Park	338	378	452	475	448	480	469	448	450	491
Westminster	6,201	6,880	7,442	7,560	7,702	7,772	7,945	8,357	9,053	9,152
Yorba Linda	3,185	3,547	3,716	3,747	4,059	4,146	4,023	4,168	4,520	5,023
Unincorporated	6,073	6,496	6,719	7,390	7,437	7,573	7,788	8,065	8,733	9,358
	<u>108,537</u>	<u>118,047</u>	<u>127,269</u>	<u>133,869</u>	<u>136,987</u>	<u>138,093</u>	<u>148,594</u>	<u>148,416</u>	<u>165,184</u>	<u>172,879</u>
Auto/Mutual Aid Given	<u>4,488</u>	<u>5,947</u>	<u>7,346</u>	<u>5,614</u>	<u>5,397</u>	<u>5,507</u>	<u>4,192</u>	<u>3,873</u>	<u>4,415</u>	<u>4,604</u>
<b>Total</b>	<u><b>113,025</b></u>	<u><b>123,994</b></u>	<u><b>134,615</b></u>	<u><b>139,483</b></u>	<u><b>142,384</b></u>	<u><b>143,600</b></u>	<u><b>152,786</b></u>	<u><b>152,289</b></u>	<u><b>169,599</b></u>	<u><b>177,483</b></u>

Orange County Fire Authority, Command & Emergency Planning Division

**NOTES:**

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.

(3) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Equipment by Category**  
**Last Ten Fiscal Years**

Category	June 30, 2014		June 30, 2015	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	716,800	18	734,581	20
Boat	31,515	4	31,515	4
Breathing Apparatus	-	-	-	-
Camera, thermal imaging	1,214,725	113	1,167,318	107
Camera, other	11,171	1	33,713	4
Communications equipment	1,458,744	39	1,458,744	39
Computer	82,126	5	90,386	6
Defibrillator	1,526,069	105	1,526,069	105
Exercise equipment	35,622	5	35,622	5
Fleet equipment	172,042	16	189,888	17
Forklift	93,177	3	93,177	3
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	432,282	23	479,786	26
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	148,104	2	148,104	2
Helicopter, flight director	-	-	-	-
Helicopter, multi-band radio upgrade	-	-	-	-
Helicopter equipment	780,245	42	942,245	43
Hydraulic tool	401,133	60	468,400	67
Kitchen equipment	33,403	4	33,403	4
Laptop	29,058	5	29,058	5
Manikin	67,452	11	67,452	11
Miscellaneous equipment	660,496	49	702,500	52
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	107,671	17	82,659	14
Mobile radio, mobile data computer (MDC)	-	-	-	-
Network equipment	1,321,172	31	1,288,223	29
Office equipment	632,865	6	632,865	6
Portable building	274,656	14	352,872	17
Portable radio	79,452	15	143,605	27
Printer	72,039	6	72,039	6
Projector	10,372	2	10,372	2
Router	37,405	4	37,405	4
Scanner	-	-	5,489	1
Search equipment	196,302	13	210,657	14
Server	997,288	79	1,000,858	69
Software	7,117,506	56	9,176,979	50
Switch	312,760	17	312,760	17
Tablet	-	-	5,455	1
Tent	122,237	12	122,237	12
Trailer	512,761	18	523,455	18
Workstation	1,641,243	25	1,641,243	25
	<u>\$ 55,555,368</u>	<u>863</u>	<u>\$ 58,076,609</u>	<u>875</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

June 30, 2016		June 30, 2017		June 30, 2018	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 53,179	2	\$ 53,179	2	\$ 53,179	2
678,014	8	678,014	8	678,014	8
734,581	20	734,581	20	734,581	20
31,515	4	64,986	6	80,606	7
-	-	-	-	-	-
1,115,772	102	1,107,655	101	1,198,258	111
44,264	5	44,264	5	44,264	5
1,523,812	51	1,702,712	83	1,689,198	81
90,386	6	25,900	4	25,900	4
1,526,069	105	5,312,042	229	3,802,620	121
35,622	5	40,790	6	40,790	6
252,867	24	284,885	27	261,714	28
93,177	3	134,138	4	134,138	4
504,562	22	504,562	22	504,562	22
1,391,000	2	1,391,000	2	1,391,000	2
479,786	26	479,786	26	479,786	26
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
148,104	2	148,104	2	148,104	2
-	-	-	-	168,804	2
-	-	-	-	-	-
942,245	43	995,953	46	1,003,199	47
490,913	69	535,309	72	1,108,303	148
33,403	4	26,394	3	26,394	3
23,832	4	17,957	3	17,957	3
67,452	11	67,452	11	75,129	12
735,503	55	798,762	59	891,816	67
2,424,594	1	2,424,594	1	2,424,594	1
88,700	16	88,700	16	88,700	16
-	-	196,398	30	196,398	30
1,294,452	30	1,294,452	30	1,294,452	30
632,865	6	632,865	6	642,985	7
352,872	17	352,872	17	352,872	17
138,477	26	138,477	26	138,477	26
72,039	6	68,552	6	68,552	6
10,372	2	10,372	2	5,153	1
72,745	8	72,745	8	72,745	8
5,489	1	5,489	1	5,489	1
236,657	16	258,921	18	258,921	18
1,211,242	72	936,541	57	1,150,118	72
10,502,153	53	10,491,277	52	10,491,277	52
349,909	20	349,909	20	356,521	21
24,882	4	24,882	4	24,882	4
122,237	12	154,551	13	180,849	15
523,455	18	465,143	18	572,659	21
1,641,243	25	1,641,243	25	1,641,243	25
<u>\$ 59,874,567</u>	<u>914</u>	<u>\$ 63,930,534</u>	<u>1,099</u>	<u>\$ 63,699,329</u>	<u>1,110</u>

*(Continued on next page)*

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Equipment by Category**  
**(Continued)**

Category	June 30, 2019		June 30, 2020	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	734,581	20	734,581	20
Boat	80,606	7	80,606	7
Breathing Apparatus	20,394	4	20,394	4
Camera, thermal imaging	1,251,200	117	1,360,096	131
Camera, other	44,264	5	44,264	5
Communications equipment	1,696,094	82	3,919,452	83
Computer	25,900	4	34,261	5
Defibrillator	4,089,086	130	4,334,152	138
Exercise equipment	40,790	6	40,790	6
Fleet equipment	294,849	29	292,914	29
Forklift	134,138	4	134,138	4
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	500,242	30	801,854	32
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	213,749	3	213,749	3
Helicopter, flight director	168,804	2	168,804	2
Helicopter, multi-band radio upgrade	183,096	2	366,193	4
Helicopter equipment	1,003,199	47	1,003,199	47
Hydraulic tool	905,931	119	882,673	113
Kitchen equipment	20,395	2	20,395	2
Laptop	17,957	3	12,081	2
Manikin	32,371	5	109,410	13
Miscellaneous equipment	978,892	74	2,580,791	197
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	99,592	18	136,527	23
Mobile radio, mobile data computer (MDC)	385,726	60	385,726	60
Network equipment	1,294,452	30	1,294,452	23
Office equipment	685,053	9	685,053	9
Portable building	687,025	20	980,837	28
Portable radio	400,892	71	400,892	71
Printer	77,501	7	66,101	6
Projector	5,153	1	5,153	1
Router	72,745	8	58,132	7
Scanner	5,489	1	5,489	1
Search equipment	258,921	18	258,921	18
Server	944,725	48	870,201	41
Software	10,538,302	56	10,666,466	50
Switch	514,813	58	522,347	59
Tablet	24,882	4	24,882	4
Tent	194,207	16	226,055	18
Trailer	656,551	22	836,564	25
Workstation	1,647,704	26	1,698,204	27
	<u>\$ 65,155,746</u>	<u>1,211</u>	<u>\$ 70,502,274</u>	<u>1,361</u>

June 30, 2021		June 30, 2022		June 30, 2023	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 79,266	4	\$ 79,266	4	\$ 79,266	4
678,014	8	678,014	8	678,014	8
240,142	12	240,142	12	220,674	9
80,606	7	80,606	7	80,606	7
20,394	4	20,394	4	20,394	4
1,360,096	131	1,360,096	131	1,360,096	131
44,264	5	44,264	5	33,093	4
3,919,452	83	3,878,507	82	3,248,381	62
28,490	4	28,490	4	22,622	3
4,334,152	138	4,334,152	138	4,334,152	138
40,790	6	25,407	3	39,060	5
292,914	29	292,914	29	302,355	30
222,642	5	222,642	5	287,192	8
463,592	20	474,569	20	475,241	20
1,391,000	2	1,391,000	2	1,391,000	2
828,743	36	839,070	38	578,164	25
28,854,977	4	28,854,977	4	21,560,759	2
319,149	4	319,149	4	-	-
213,749	3	213,749	3	148,104	2
168,804	2	168,804	2	168,804	2
366,193	4	366,193	4	224,419	2
1,020,261	48	1,042,935	49	873,116	45
849,580	108	911,957	116	953,286	121
20,395	2	20,395	2	20,395	2
12,081	2	5,981	1	5,288	1
109,410	13	109,410	13	109,410	13
2,715,740	210	2,712,871	208	2,870,247	219
2,424,594	1	2,424,594	1	2,424,594	1
136,527	23	379,216	53	319,045	42
512,370	80	652,656	102	1,107,095	172
1,294,452	23	1,294,452	23	1,294,452	10
685,053	9	676,989	8	662,535	8
974,765	27	1,006,388	31	1,076,842	40
907,709	161	925,089	163	904,577	159
82,274	7	82,274	7	66,851	6
5,153	1	5,153	1	5,153	1
58,132	7	58,132	7	46,765	6
5,489	1	5,489	1	5,489	1
302,246	21	333,137	25	294,669	22
887,375	42	887,375	42	708,858	38
10,751,591	45	10,751,591	45	11,096,458	46
574,594	61	574,594	61	552,723	59
24,882	4	24,882	4	24,882	4
226,055	18	215,377	16	215,377	16
1,024,838	30	1,533,274	38	1,922,379	47
1,687,318	28	1,687,318	28	1,668,388	27
<u>\$ 71,240,313</u>	<u>1,483</u>	<u>\$ 72,233,934</u>	<u>1,554</u>	<u>\$ 64,481,270</u>	<u>1,574</u>



**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Vehicles by Category**  
**Last Ten Fiscal Years**

Category	June 30, 2014		June 30, 2015	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	\$ 820,733	4
Ambulance	674,739	5	573,194	4
Battalion Chief Vehicle	1,518,914	29	1,518,914	29
Brush Chipper	34,289	2	34,289	2
Crew-Carrying Vehicle	452,373	4	452,373	4
Dump Truck	66,366	1	66,366	1
Fire Command	820,829	4	674,655	3
Fire Dozer	723,403	4	550,978	2
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	1,077,646	3	1,077,646	3
Heavy Equipment Vehicle	102,396	1	184,392	2
Heavy Rescue Unit	658,107	1	658,107	1
Hose Tender	103,189	1	103,189	1
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,860,604	22	1,860,604	22
Patrol	1,539,901	19	1,539,901	19
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	2,081,006	53	2,081,006	53
Sedan	44,994	2	44,994	2
Squad	578,998	7	578,998	7
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,560,913	94	2,505,905	92
Telesquirt	1,736,407	5	1,736,407	5
Transport Tractor	506,673	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	4,938,110	7	4,938,110	7
Truck, 75' Quint	3,124,257	6	3,124,257	6
Truck, 90' Quint	3,562,035	7	3,062,553	6
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	592,188	7	768,076	11
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	28,363,285	92	28,442,065	90
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	152,610	1
Type 3 Engine	4,653,221	13	4,653,221	13
Utility	145,169	3	145,169	3
Van	623,608	24	451,395	19
Water Tender	753,535	5	753,535	5
	<u>\$ 72,213,263</u>	<u>461</u>	<u>\$ 71,403,080</u>	<u>452</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

NOTE: Beginning in Fiscal Year 2020/21, vehicles categorized as "Loader" and "Road Grader" were combined into a single category called "Heavy Equipment Vehicle." Amounts and quantities shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the information originally reported in previous reports.

June 30, 2016		June 30, 2017		June 30, 2018	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 820,733	4	\$ 820,733	4	\$ 820,733	4
573,194	4	573,194	4	573,194	4
2,098,087	42	2,161,593	42	2,224,326	42
103,545	3	84,438	2	84,438	2
452,373	4	452,373	4	447,373	3
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
550,978	2	550,978	2	550,978	2
152,245	1	152,245	1	152,245	1
376,164	3	376,164	3	376,164	3
1,077,646	3	939,162	2	939,162	2
184,392	2	184,392	2	252,434	3
679,608	1	679,608	1	679,608	1
103,189	1	103,189	1	-	-
71,780	1	71,780	1	71,780	1
1,860,604	22	1,860,604	22	1,566,150	19
1,539,901	19	1,539,901	19	1,791,780	20
858,456	12	858,456	12	858,456	12
2,327,501	63	3,213,233	85	3,275,670	86
-	-	-	-	-	-
578,998	7	496,839	6	1,074,089	9
34,289	1	34,289	1	34,289	1
2,621,995	93	2,602,271	92	2,224,726	79
1,736,407	5	1,736,407	5	1,387,635	4
506,673	5	506,673	5	506,673	5
4,948,930	8	6,641,223	9	9,236,148	11
3,124,257	6	3,124,257	6	3,124,257	6
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	2,354,146	2	2,354,146	2
768,076	11	804,028	11	790,798	11
44,058	2	44,058	2	44,058	2
30,580,415	94	32,151,624	94	32,151,624	94
3,451,627	8	3,451,627	8	3,451,627	8
152,610	1	152,610	1	152,610	1
4,653,221	13	4,653,221	13	4,653,221	13
145,169	3	145,169	3	145,169	3
451,395	19	435,224	18	435,224	18
753,535	5	753,535	5	753,535	5
<u>\$ 74,539,771</u>	<u>480</u>	<u>\$ 78,512,818</u>	<u>498</u>	<u>\$ 80,987,894</u>	<u>487</u>

*(Continued on next page)*

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Vehicles by Category**  
**(Continued)**

Category	June 30, 2019		June 30, 2020	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	\$ 1,216,732	5
Ambulance	573,194	4	-	-
Battalion Chief Vehicle	2,468,254	46	2,603,667	48
Brush Chipper	84,438	2	160,272	3
Crew-Carrying Vehicle	447,373	3	447,373	3
Dump Truck	66,366	1	66,366	1
Fire Command	674,655	3	674,655	3
Fire Dozer	550,978	2	1,112,241	3
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	939,162	2	939,162	2
Heavy Equipment Vehicle	252,434	3	418,917	5
Heavy Rescue Unit	679,608	1	679,608	1
Hose Tender	-	-	-	-
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,566,150	19	1,468,553	18
Patrol	1,791,780	20	1,791,780	20
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	3,726,138	98	5,190,357	130
Sedan	-	-	-	-
Squad	1,465,052	11	1,465,052	11
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,186,521	77	1,889,421	59
Telesquirt	1,038,862	3	-	-
Transport Tractor	506,673	5	1,093,171	8
Truck, 90', 100' and 110' Tractor Drawn Aerials	17,609,131	17	18,802,835	18
Truck, 75' Quint	3,124,257	6	2,694,556	5
Truck, 90' Quint	3,062,553	6	3,062,553	6
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	790,798	11	1,138,258	13
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	37,752,647	103	43,198,345	113
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	-	-
Type 3 Engine	4,653,221	13	4,653,221	13
Utility	145,169	3	145,169	3
Van	649,798	26	557,619	22
Water Tender	753,535	5	753,535	5
	<u>\$ 95,874,855</u>	<u>525</u>	<u>\$ 103,566,183</u>	<u>548</u>

June 30, 2021		June 30, 2022		June 30, 2023	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 1,216,732	5	\$ 1,823,844	6	\$ 1,823,844	6
-	-	-	-	-	-
2,566,931	47	2,566,931	47	2,566,931	47
160,272	3	160,272	3	160,272	3
1,668,656	7	1,668,656	7	1,668,656	7
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
1,112,241	3	1,112,241	3	1,112,241	3
152,245	1	684,408	2	532,163	1
376,164	3	376,164	3	376,164	3
939,162	2	939,162	2	939,162	2
598,591	6	598,591	6	784,424	7
739,608	2	739,608	2	739,608	2
-	-	-	-	-	-
71,780	1	71,780	1	71,780	1
1,302,899	16	1,302,899	16	1,302,899	16
1,631,773	18	1,631,773	18	1,631,773	18
858,456	12	858,456	12	858,456	12
5,593,216	143	5,593,216	143	5,925,900	145
45,800	2	45,800	2	45,800	2
1,465,052	11	1,465,052	11	1,465,052	11
131,961	2	131,961	2	131,961	2
1,819,287	58	1,852,332	57	1,948,966	59
-	-	-	-	-	-
1,093,171	8	1,093,171	8	1,093,171	8
18,734,735	17	18,734,735	17	18,734,735	17
2,694,556	5	2,694,556	5	2,694,556	5
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	3,634,249	3	3,634,249	3
1,072,345	12	1,072,345	12	1,950,598	15
44,058	2	44,058	2	44,058	2
42,220,704	108	47,750,808	116	51,210,148	121
3,451,627	8	3,451,627	8	3,451,627	8
-	-	-	-	-	-
6,238,675	16	6,238,675	16	6,238,675	16
944,947	10	944,947	10	944,947	10
785,038	27	901,145	28	901,145	28
1,639,178	7	1,639,178	7	1,639,178	7
<u>\$ 107,527,580</u>	<u>574</u>	<u>\$ 115,626,214</u>	<u>585</u>	<u>\$ 120,426,713</u>	<u>597</u>

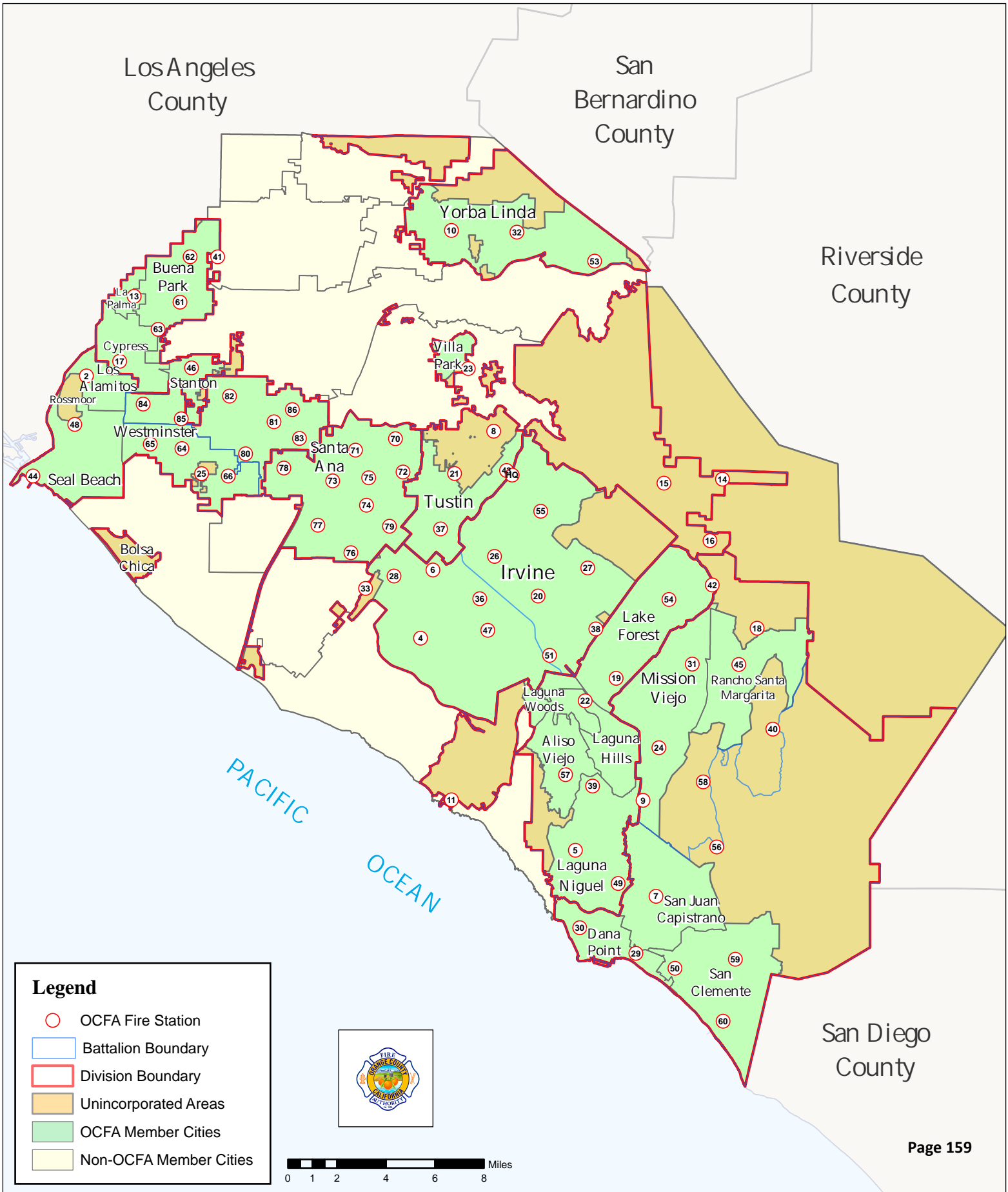
**Orange County Fire Authority**



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# ORANGE COUNTY FIRE AUTHORITY

Division and Battalion Boundaries and Station Locations  
As of June 30, 2023



ORANGE COUNTY FIRE AUTHORITY  
List of Stations by Member Agency  
As of June 30, 2023



**City of Aliso Viejo**  
#57, 57 Journey, 92656



**City of Buena Park**  
#61, 7440 La Palma Ave. 90620  
#62, 7780 Artesia Blvd. 90621  
#63, 9120 Holder St. 90620



**City of Cypress**  
#17, 4991 Cerritos Ave. 90630



**City of Dana Point**  
#29, 26111 Victoria Blvd. 92624  
#30, 23831 Stonehill Dr. 92629



**City of Garden Grove**  
#80, 14162 Forsyth Ln. 92844  
#81, 112611 Acacia Pkwy. 92840  
#82, 11805 Gilbert St. 92841  
#83, 12132 Trask Ave. 92843  
#84, 12191 Valley View St. 92845  
#85, 12751 Western Ave. 92841  
#86, 12232 West St. 92840



**City of Irvine**  
#4, 2 California Ave. 92612  
#6, 3180 Barranca Pkwy. 92606  
#20, 7050 Corsair, 92618  
#26, 4691 Walnut Ave. 92604  
#27, 12400 Portola Springs 92618  
#28, 17862 Gillette Ave. 92614  
#36, 301 E. Yale Loop 92604  
#38, 26 Parker 92618  
#47, 47 Fossil 92603  
#51, 18 Cushing 92618  
#55, 4955 Portola Pkwy. 92620



**City of La Palma**  
#13, 7822 Walker St. 90623



**Cities of Laguna Hills and Laguna Woods**  
#22, 24001 Paseo de Valencia, Laguna Hills 92653



**City of Laguna Niguel**  
#5, 23600 Pacific Island Dr. 92677  
#39, 24241 Avila Rd. 92677  
#49, 31461 Golden Lantern St. 92677



**City of Lake Forest**  
#19, 23022 El Toro Rd. 92630  
#42, 19150 Ridgeline Rd., 92679  
#54, 19811 Pauling Ave., 92610



**City of Los Alamitos**  
#2, 3642 Green Ave. 90720



**City of Mission Viejo**  
#9, #9 Shops at Mission Viejo 92691  
#24, 25862 Marguerite Pkwy. 92692  
#31, 22426 Olympiad Rd. 92692



**City of Rancho Santa Margarita**  
#45, 30131 Aventura 92688



**City of San Clemente**  
#50, 670 Camino de Los Mares 92672  
#59, 48 Avenida La Pata 92673  
#60, 100 Avenida Victoria 92672

**ORANGE COUNTY FIRE AUTHORITY  
List of Stations by Member Agency  
As of June 30, 2023, (Continued)**



**City of San Juan Capistrano**  
#7, 31865 Del Obispo 92675



**City of Santa Ana**  
#70, 2301 Old Grand 92701  
#71, 1029 West 17th St. 92706  
#72, 1688 East 4th St. 92701  
#73, 419 Franklin 92703  
#74, 1427 South Broadway 92707  
#75, 120 West Walnut 92701  
#76, 950 West MacArthur 92707  
#77, 2317 South Greenville 92704  
#78, 501 North Newhope 92703  
#79, 1320 East Warner 92705



**City of Seal Beach**  
#44, 718 Central Ave. 90740  
#48, 3131 N. Gate Rd. 90740



**City of Stanton**  
#46, 7871 Pacific St. 90680



**City of Tustin**  
#37, 15011 Kensington Park Dr. 92780  
#43, 11490 Pioneer Way 92782



**City of Villa Park**  
#23, 5020 Santiago Canyon Rd. 92869



**City of Westminster**  
#64, 7351 Westminster Blvd. 92683  
#65, 6061 Hefley St. 92683  
#66, 15061 Moran St. 92683



**City of Yorba Linda**  
#10, 18422 E. Lemon Dr. 92886  
#32, 20990 Yorba Linda Blvd. 92887  
#53, 25415 La Palma Ave. 92887



**County of Orange, Unincorporated**  
#8, 10631 Skyline Dr.,  
Santa Ana 92705  
  
#11, 259 Emerald Bay,  
Laguna Beach 92651

#14, P.O. Box 12,  
Silverado 92676

#15, 27172 Silverado Canyon Rd.,  
Silverado 92676

#16, 28891 Modjeska Canyon Rd.,  
Silverado 92676

#18, 30942 Trabuco Canyon Rd.,  
Trabuco Canyon 92679

#21, 1241 Irvine Blvd.,  
Tustin 92780

#25, 8171 Bolsa Ave.,  
Midway City 92655

#40, 25082 Vista del Verde,  
Coto de Caza 92679

#56, 56 Sendero Way,  
Rancho Mission Viejo 92694

#58, 58 Station Way,  
Ladera Ranch 92694

**Specialty Stations**



***Airport Rescue & Firefighting***

#33, 374 Paularino,  
Costa Mesa 92626



***Helicopter Operations***

#41, 3900 W. Artesia Ave.,  
Fullerton 92633



**ORANGE COUNTY FIRE AUTHORITY**  
**Description of the Organization, Programs and Service Delivery**  
**As of June 30, 2023**

Orange County Fire Authority (OCFA) is managed by an Executive Management team consisting of an appointed Fire Chief, two Deputy Chiefs, seven Assistant Chiefs, and one Director. Assistant Chiefs oversee service activities that are organized into seven primary departments – Field Operations North, Field Operations South, Emergency Medical Services (EMS) and Training, Business Services, Community Risk Reduction, Human Resources, and Logistics – which are further organized into divisions, battalions, sections, units, and/or programs to effectively carry out the mission of the OCFA. OCFA’s overall structure is organized and managed as follows:

OCFA .....	Fire Chief
Bureau.....	Deputy Chief
Department .....	Assistant Chief
Division .....	Assistant Chief, Director, Division Chief, or Division Manager
Battalion / Section / Unit / Program .....	Battalion Chief, Section Manager, or Unit Manager

**EXECUTIVE MANAGEMENT**

Executive Management provides direction to areas of the organization and ensures that the types and levels of services provided are consistent with Board policy and the adopted budget. OCFA contracts with the firm of Woodruff & Smart located in Costa Mesa, California for its legal services. General Counsel reports directly to the Board of Directors.

**CORPORATE COMMUNICATIONS**

**Corporate Communications**, which is overseen by a Director reporting directly to the Fire Chief, facilitates public information and media relations, and provides support to Executive Management staff on special projects designed to keep the public and other agencies informed about OCFA.

- The **Public Information Officer (PIO)** serves as the spokesperson for OCFA during major incidents and ensures that the public is kept informed through the release of accurate and timely information, news releases, and board advisories.
- **Multimedia** is responsible for meeting all OCFA audio, video, and photographic needs.
- **Community Education** facilitates public safety education and awareness through large-scale educational campaigns and community outreach events.

**EMERGENCY OPERATIONS BUREAU**

**COMMAND & EMERGENCY PLANNING DIVISION**

The **Command & Emergency Planning Division**, which is overseen by a Division Chief reporting directly to the Deputy Chief of the Emergency Operations Bureau, provides the following services:

- The **Emergency Command Center (ECC)** serves as a secondary 9-1-1 Public Safety Answering Point (PSAP) and dispatch center for fire and medical emergencies by answering emergency calls, identifying the nature and location of the emergency, and dispatching resources. The ECC also serves as the Operational Area Coordinator for fire and rescue mutual aid for all Orange County fire service agencies.
- **Emergency Planning and Coordination (EPAC)** is primarily responsible for emergency management planning, serving as the OCFA’s representative to the Operational Area Emergency Operations Center (Loma Ridge) and the Operational Area Fire Mutual Aid Representative to the California Office of Emergency Services Region I Office.

**FIELD OPERATIONS DEPARTMENTS – NORTH AND SOUTH**

The **Field Operations Departments (North and South)** provide command and control direction regarding daily operations and all fire suppression activities, as well as specialized programs for safety personnel. There are seven operational field divisions, each under the command of a Division Chief. Divisions are divided into field battalions, which are under the command of Battalion Chiefs. Within these field battalions are 76 fire stations that provide for regional emergency response to structure fires, medical aids, rescues, hazardous materials incidents, and wildland fires. Activities and additional responsibilities of each department include the following:

**FIELD OPERATIONS DEPARTMENT NORTH**

- **Division 1 – Battalion 1** primarily serves the cities of Los Alamitos, Seal Beach, and Westminster, as well as the unincorporated communities of Midway City and Rossmoor. **Battalion 11** primarily serves the city of Garden Grove. Division 1 also assists with the provision of emergency services to Seal Beach Naval Weapons Station and the Joint Forces Training Base in Los Alamitos.
- **Division 4 – Battalion 2** primarily serves the city of Yorba Linda, as well as the unincorporated communities of Carbon Canyon, Chino Hills State Park, and Tonner Canyon. **Battalion 3** primarily serves the cities Tustin and Villa Park, as well as the unincorporated communities of Cowan Heights, El Modena, Lemon Heights, Orange Park Acres, Modjeska Canyon, Santiago Canyon, and Silverado Canyon. **Community Volunteer Services (CVS)** coordinates the Reserve Firefighters (RFF) program, the OCFA Chaplain Program, and the Fire Cadet Program.
- **Division 6 – Battalion 9** primarily serves the city of Santa Ana.
- **Division 7 – Battalion 8** primarily serves the cities of Buena Park, Cypress, La Palma, and Stanton.
- The **Hazardous Materials Program** provides administration, oversight, and training for the Hazardous Materials Response Team (HMRT) and the Fire and Law Enforcement Joint Hazard Assessment Team (JHAT).
- **Investigations** conducts fire investigations and evaluations and initiates early intervention strategies. Other responsibilities include administration of the Fire F.R.I.E.N.D.S. diversion program for juvenile-related fires; OCFIRS quality assurance; state and national reporting; and oversight of the Orange County Intelligence and Assessment Center (OCIAAC).

**FIELD OPERATIONS DEPARTMENT SOUTH**

- **Division 2 – Battalion 5 and Battalion 10** primarily serve the city of Irvine, as well as the unincorporated community of Santa Ana Heights. Division 2 provides emergency services to the University of California, Irvine (UCI), John Wayne Airport (JWA), and the Orange County Great Park. The division also provides oversight for Airport Rescue Fire Fighting (ARFF) services. The division is also responsible for coordinating all grants received from the Office of Homeland Security.
- **Division 3 – Battalion 6** primarily serves the cities of Dana Point, San Clemente, and San Juan Capistrano, as well as the unincorporated community of Rancho Mission Viejo and areas along Ortega Highway in southern Orange County. **Battalion 7** primarily serves the cities of Mission Viejo and Rancho Santa Margarita, as well as the unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, and Trabuco Canyon. Division 3 provides oversight for the OCFA Apparatus Committee.
- **Division 5 – Battalion 4** primarily serves the cities of Aliso Viejo, Laguna Hills, Laguna Niguel, Laguna Woods, and Lake Forest, as well as the unincorporated community of Emerald Bay. Division 5 oversees the Staffing Program, which ensures 24/7 staffing levels at all stations; the Staffing Committee; the employee transfer process within the Operations Department; and the OCFA Equipment Committee.
- **Air Operations** is responsible for coordination and maintenance of OCFA's firefighting helicopters, which are used for emergency responses for wildland and wildland urban interface fires and special rescues such as swift and still water rescues, medical rescue support, and disaster mitigation.
- The **Urban Search & Rescue (US&R) Program** provides specialized emergency response capabilities and equipment for the federal US&R task force, the Swift Water Rescue program, and the Mass Casualty Unit.

- **Wildland Operations** oversees the coordination of firefighting hand crews and heavy fire equipment.

#### EMS AND TRAINING DEPARTMENT

The **EMS and Training Department** provides emergency medical and specialized training programs for safety personnel. Specific activities and responsibilities of the department include the following:

- The **Emergency Medical Services (EMS) Division** manages the delivery of medical services by OCFA's emergency medical technicians (EMT) and paramedics. EMS serves as a liaison to county and state regulatory agencies, hospitals, ambulance providers, and other EMS groups. EMS also oversees the Wellness and Fitness (WEFIT) program, which includes medical and fitness evaluations, behavioral health, cancer awareness and prevention, peer fitness trainers, employee health and fitness education, and physical training for firefighter academy recruits.
- The **Operations Training and Promotions Division** facilitates and coordinates the Fire Apparatus Engineer, Fire Captain, and Fire Battalion Chief academies and assessment centers. The division works collaboratively with the Operations Training & Safety Division on rank-specific, operations-based training. Lastly, the division coordinates with Santa Ana College and the California Joint Apprenticeship Committee (CFFJAC) on various training activities and programs.
- The **Operations Training & Safety Division (Training)** delivers and facilitates all operations personnel training activities and serves in a lead capacity on issues of employee and incident safety. Training Officers double as incident safety officers.

#### ADMINISTRATION & SUPPORT BUREAU

#### BUSINESS SERVICES DEPARTMENT

The **Business Services Department** provides the following services:

- The **Clerk Division** administers democratic processes, such as access to OCFA records and all legislative actions ensuring transparency to the public.
- The **Finance Division** oversees the processing, accounting, reporting, and auditing of all OCFA financial records. It is responsible for developing policies and procedures designed to protect and safeguard OCFA's assets. Specific functions include accounts receivable, general accounting, cost accounting, accounts payable, payroll, and timekeeping.
- The **Legislative Division** identifies and tracks local, state, and federal legislation that could impact OCFA; submits legislative analysis to the Board of Directors; sends letters on behalf of the Board of Directors when a position is taken on an item of legislation; and manages the grant application process for all OCFA grants.
- The **Purchasing Division** administers the centralized procurement of all supplies, services, equipment, and construction services through competitive solicitations. The Purchasing Division is also responsible for administering the procurement card program and surplus disposition.
- The **Treasury Division** provides cash management, budgetary, and financial support services. Treasury services include monitoring cash balances; making investments in compliance with OCFA's Investment Policy; issuing and administering long and short-term debt; and providing oversight of the deferred compensation, pension, and retiree medical programs. Financial planning services include preparation of the budget; annual reviews of OCFA's fiscal health; financial forecasting; and special financial studies.

#### COMMUNITY RISK REDUCTION DEPARTMENT

The **Community Risk Reduction Department** contributes to community safety and prosperity through the systematic mitigation of risk. Specific programs and services include the following:

- The **Planning and Development Division** interacts with developers, architects, and engineers to meet the fire protection requirements for buildings and developments. This division reviews all architectural development plans and proposals submitted within OCFA's jurisdiction, including tract and parcel maps, permits for conditional use, site development, coastal development, and other items related to the developmental process.
- The **Prevention Field Services Division** assists stakeholders in maintaining and enhancing safe communities by conducting fire safety inspections; enforcing applicable fire codes and ordinances; and assuring that public safety issues are researched and addressed as appropriate.
- **Wildland Pre-Fire Management** takes a proactive approach to wildland fire prevention through the systematic evaluation of risk, fuels mitigation, road maintenance, vegetation management, and home hardening education through ongoing collaboration with partner organizations, landowners, and communities.

#### HUMAN RESOURCES DEPARTMENT

The **Human Resources Department** provides the following programs and services:

- The **Benefits Division** administers employee benefit programs, including health, accidental death and dismemberment, dental, vision, life, disability, and optional benefit plans; has oversight for human resources information systems; and oversees classification and compensation studies.
- The **Employee Relations Division** oversees performance management; meet and confer, appeal, and grievance processes; and Memorandum of Understanding (MOU) administration. In addition, Employee Relations includes the OCFA accommodation program, which involves scheduling and facilitating interactive process meetings and the identification of reasonable accommodations.
- The **Recruitment Division** oversees recruitment and selection processes.
- The **Risk Management Division** administers OCFA's general liability insurance, self-insured workers' compensation, and environmental health and safety programs.

#### LOGISTICS DEPARTMENT

The **Logistics Department** provides essential support to all departments of the OCFA in the following areas:

- The **Fleet Services Division** ensures the effective and timely repair, servicing, and maintenance of all vehicles, apparatus, and equipment. Responsibilities include coordinating new vehicle specifications and purchases, maintenance schedules, and replacement prioritization.
- The **Information Technology Division** is responsible for development, operation, maintenance, and security of OCFA's computers, network, and overall technical infrastructure; the development and support of information systems applications and databases; maintenance of centralized enterprise Geographic Information System (GIS) and mapping capabilities; and the acquisition and maintenance of emergency communications equipment.
- The **Property Management Division** builds, maintains, and repairs all OCFA real property and durable infrastructure. Responsibilities include construction of new fire stations and the maintenance and operations of all fire stations and facilities, including the air operations hangar, the Urban Search and Rescue and Training facility, and the Regional Fire Operations and Training Center (RFOTC).
- The **Service Center Division** provides OCFA's organization-wide logistical support. Responsibilities include shipping, receiving, and warehousing services for a wide variety of organizational supplies; mail processing and delivery; testing and repair of firefighting equipment; providing and maintaining personal protective equipment (PPE) for firefighters; outfitting new fire apparatus with equipment; and providing specialized emergency support on incidents.

**Orange County Fire Authority**



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# ACFR 2023

FISCAL YEAR ENDED JUNE 30



ORANGE COUNTY FIRE AUTHORITY  
P.O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd, Irvine, CA 92602

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(714) 573-6000      [www.ocfa.org](http://www.ocfa.org)



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary statement for the general fund of the Orange County Fire Authority, California (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 9, 2023.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
October 9, 2023



ORANGE COUNTY FIRE AUTHORITY  
IRVINE, CALIFORNIA  
JUNE 30, 2023

SINGLE AUDIT REPORT

Focused  
on YOU



ORANGE COUNTY FIRE AUTHORITY  
Irvine, California

Single Audit Report  
June 30, 2023

ORANGE COUNTY FIRE AUTHORITY  
Irvine, California

Single Audit Report  
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary statement for the general fund of the Orange County Fire Authority, California (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 9, 2023.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Solt & Lughard, LLP*

Brea, California  
October 9, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Orange County Fire Authority (the "Authority")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.





To the Board of Directors  
Orange County Fire Authority  
Irvine, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information of the Authority, and the budgetary statement for the general fund, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 9, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California  
October 9, 2023

**ORANGE COUNTY FIRE AUTHORITY**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2023**

Federal Grantor / Pass-through Grantor / Program Title	Federal Assistance		Unique Entity ID	Expenditures
	Listing Number	Program / Project Identification Number		
<b><u>U.S. Department of Homeland Security:</u></b>				
<b>Direct assistance via Federal Emergency Management Agency:</b>				
National Urban Search and Rescue (US&R) Response System:				
2019 Cooperative Agreement	97.025	EMW-2019-CA-00064	N/A	\$ 259,805
2020 Cooperative Agreement	97.025	EMW-2020-CA-00025	N/A	64,601
2021 Cooperative Agreement	97.025	EMW-2021-CA-00042	N/A	558,107
2022 Cooperative Agreement	97.025	EMW-2022-CA-00058	N/A	748,927
<b>Subtotal - Assistance Listing Number 97.025 *</b>				<b><u>1,631,440</u></b>
2018 Assistance to Firefighters Grant (AFG) - Fire Ground Survival Training	97.044	EMW-2018-FO-04863	N/A	163,384
2020 Assistance to Firefighters Grant (AFG) - Fire Education Trailer	97.044	EMW-2020-FP-00433	N/A	152,892
<b>Subtotal - Assistance Listing Number 97.044</b>				<b><u>316,276</u></b>
<b>Homeland Security Grant Program:</b>				
Passed through the Orange County Sheriff's Department:				
2021 Orange County Intelligence Assessment Center	97.067	DHS 2021-SS-00081	H7HSMWXHBTJ7	180,000
<b>Total U.S. Department of Homeland Security</b>				<b><u>2,127,716</u></b>
<b><u>U.S. Department of Treasury:</u></b>				
<b>County of Orange Pass-Through Programs:</b>				
Passed through the County of Orange Executive Office				
CSLFRF -				
COVID-19 - Public Safety and Emergency Equipmer	21.027	SLRFP1607	Z27AVTCCKHU3	3,546
CSLFRF -				
COVID-19 - CERT Program	21.027	SLRFP1607	Z27AVTCCKHU3	2,607
<b>Subtotal - Assistance Listing Number 21.027</b>				<b><u>6,153</u></b>
<b>Total U.S. Department of Treasury</b>				<b><u>6,153</u></b>
<b>Total Federal Expenditures</b>				<b><u>\$ 2,133,869</u></b>

\* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

**ORANGE COUNTY FIRE AUTHORITY**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**A. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the Orange County Fire Authority (the Authority), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**B. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**ORANGE COUNTY FIRE AUTHORITY  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



# 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)

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2022

No matters were reported.

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

**RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES**



October 9, 2023

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the general fund of the Orange County Fire Authority (the "Authority") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 3 to the financial statements, the Authority changed accounting policies related to subscription-based information technology arrangements, and by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, in fiscal year 2022-2023. Accordingly, there was no effect from the accounting change as of the beginning of the year is reported in the financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimates of the net pension liability, net other postemployment benefits liability, and claims and judgments liability are based on actuarial valuation estimates. We evaluated the methods, assumptions, and data used to develop the actuarial valuation estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 9, 2023.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Group Audit

As part of our audit of the Authority, we utilize the audit information provided to us from other certified public accountants (component auditors) who audited certain components of the Authority's basic financial statements. The components are (1) the assets held in trust by OCERS for the Authority's Retiree Medical Plan, and (2) the Orange County Fire Authority Foundation (the Foundation) discretely presented component unit. Neither component auditor brought any matters to our attention which would require communication to the Authority Board of Directors or management. However, upon receiving the Foundation financial statements and component auditor's report thereon, we did identify discrepancies between those financial statements and the amounts reported in the Authority's financial statements. These discrepancies were primarily related to the recognition and classification of revenues and expenses, and assets and liabilities, which ultimately resulted in an immaterial variance between the two sets of statements. As a result of these discrepancies, and to gain additional assurance about the amounts reported in the Authority's financial statements, we performed additional procedures over the underlying accounting data prepared by the Authority's management. Our testing resulted in no





To the Board of Directors  
Orange County Fire Authority  
Irvine, California

identified corrections to the Authority's financial statements, however, it should be noted that the amounts between the Foundation statements and Authority statements do not fully agree for the year ended June 30, 2023. Absent the Foundation reconciling their statements to ensure consistency with that of the Authority's statements, we anticipate variances will continue to be reported in the future.

#### Other Matters

We applied certain limited procedures to management's discussion and analysis and the required pension and other postemployment benefits schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information included in the annual report which is comprised of the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California

## Summary of Unadjusted Audit Differences

Name of Governmental Unit: Orange County Fire Authority

Date of Combined Balance Sheet: June 30, 2023

Opinion Unit, Fund Type or Fund: All

Unadjusted Audit Differences	Cause	Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
Payments made after 6/30/2023 for expenditures incurred prior to 6/30/2023 were not accrued.	Closing	\$ (325,010)
Cash receipts received after 6/30/2023 for revenues earned prior to 6/30/2023 were not accrued.	Closing	6,136
Capital expenditures in government funds not converted to capital asset	Closing	105,071
Capital asset disposals not converted to loss	Closing	(6,653)
Cumulative effect (before effect of prior year differences)		(220,456)
Effect of unadjusted audit difference - prior year		269,898
Cumulative effect (after effect of prior year differences)		\$ 49,442

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balance Assigned for Capital Improvement Program (CIP)**  
**Final Calculation**  
**As of June 30, 2023**

Description	Source	General Fund CIP Fund 12110	Communications and Information Systems Fund 124	Fire Apparatus Fund 133	Fire Stations and Facilities Fund 123	Total
<b>Actual Fund Balance Available for CIP Assignment</b>						
Total actual fund balance at 6/30/2023	FYE 6/30/2023 ACFR, pages 27, 108	8,855,094	6,037,384	37,730,153	37,126,620	89,749,251
Less nonspendable fund balance - prepaid items	FYE 6/30/2023 ACFR, pages 27, 108	(44,990)	(16,881)	(8,708)	-	(70,579)
Less restricted fund balance	FYE 6/30/2023 ACFR, pages 27, 108			(12,530,156)	(17,641,560)	(30,171,716)
Less outstanding encumbrances:						
Pertaining to restricted resources		-	-	-	-	-
Pertaining to committed resources		-	-	-	-	-
Pertaining to assigned resources	FYE 6/30/2023 ACFR, pages 27, 108	(2,264,261)	(422,872)	(20,178,582)	(14,378,912)	(37,244,627)
<b>Actual fund balance available for CIP assignment at 6/30/2023 (A)</b>		<b>6,545,843</b>	<b>5,597,631</b>	<b>5,012,707</b>	<b>5,106,148</b>	<b>22,262,329</b>
<b>Possible CIP Expenditures, Net of Offsetting Revenues and Funding Sources</b>						
<b><u>Appropriations Re-Budgeted to Next Fiscal Year, Net</u></b>						
Carryover expenditures	Board of Directors approval 9/28/2023, Item #2D	5,997,029	3,972,908	-	21,525,225	31,495,162
Less: Carryover revenues	Board of Directors approval 9/28/2023, Item #2D	-	-	-	-	-
Net		5,997,029	3,972,908	-	21,525,225	31,495,162
<b><u>Five-Year CIP Plan - Budgeted CIP Projects, Net</u></b>						
Five-year CIP plan expenditures	FY 2023/24 Adopted Budget	59,336,920	19,650,000	110,236,490	27,650,000	216,873,410
Less: Offsetting five-year funding sources:						
Vehicle replacement charges (5 years)	Cash contract annual vehicle charge, as prepared by Finance Division / General Accounting Unit	-	-	(9,665,621)	-	(9,665,621)
Developer-funded projects (cost-reimbursable budgeted costs)	FY 2023/24 Adopted Budget	-	-	-	-	-
Other funding sources (US&R grant funding)	FY 2023/24 Adopted Budget	-	-	(234,500)	-	(234,500)
Net		59,336,920	19,650,000	100,336,369	27,650,000	206,973,289
<b><u>Other Costs Beyond Five-Year CIP Plan:</u></b>						
Debt service - Master Equipment Lease/Purchase Agreement - 2022	FYE 6/30/2023 ACFR, page 65 (annual lease payments subsequent to FY 2027/28)	-	-	49,248,060	-	49,248,060
Net		-	-	49,248,060	-	49,248,060
<b>Possible CIP expenditures, net of offsetting revenues and funding sources (B)</b>		<b>65,333,949</b>	<b>23,622,908</b>	<b>149,584,429</b>	<b>49,175,225</b>	<b>287,716,511</b>
<b>Over (under) funded as of 6/30/2023 (A-B)</b>		<b>(58,788,106)</b>	<b>(18,025,277)</b>	<b>(144,571,722)</b>	<b>(44,069,077)</b>	<b>(265,454,182)</b>
<b><u>Final Fund Balance Assignment</u></b>						
Actual fund balance available for CIP assignment at 6/30/2023		6,545,843	5,597,631	5,012,707	5,106,148	22,262,329
Less: Over funded amount to be transferred back to the General Fund		-	-	-	-	-
<b>Final fund balance assignment at 6/30/2023</b>	<b>FYE 6/30/2023 ACFR, page 27</b>	<b>6,545,843</b>	<b>5,597,631</b>	<b>5,012,707</b>	<b>5,106,148</b>	<b>22,262,329</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balance Assigned for Workers Compensation**  
**Final Calculation**  
**As of June 30, 2023**

**Attachment 5B**

Description	Source	Self Insurance Fund		
		Final Budget	Positive (Negative) Variance	Actual
<b>Revenues:</b>				
Interest	FYE 6/30/2023 ACFR, pages 110, 113	\$ 2,084,397	501,171	\$ 2,585,568
Workers' compensation charges	FYE 6/30/2023 ACFR, pages 110, 113	30,754,757	-	30,754,757
Insurance recoveries	FYE 6/30/2023 ACFR, pages 110, 113	82,855	-	82,855
Subtotal - revenues		<b>32,922,009</b>	<b>501,171</b>	<b>33,423,180</b>
<b>Expenditures:</b>				
Workers' compensation claims paid	FYE 6/30/2023 ACFR, pages 110, 113	(17,212,913)	2,083,814	(15,129,099)
Subtotal - expenditures		<b>(17,212,913)</b>	<b>2,083,814</b>	<b>(15,129,099)</b>
<b>Total change in fund balance</b>		<b>\$ 15,709,096</b>	<b>\$ 2,584,985</b>	<b>\$ 18,294,081</b>
		(A)	(B)	
<b>Assignment for Workers' Compensation:</b>				
Actual assignment at 6/30/2022	FYE 6/30/2022 ACFR, page 27		\$ 125,039,963	
Budgeted change in fund balance	(A)		15,709,096	
Budgeted assignment at 6/30/2023			140,749,059	
Variance between final budget and actual amounts	(B)		2,584,985	
Actual assignment at 6/30/2023	FYE 6/30/2023 ACFR, page 27		<b>\$ 143,334,044</b>	

**Orange County Fire Authority**  
**Calculation of Unencumbered Fund Balance**  
**General Operating Fund (121 & 12150)\***  
**Fiscal Year 2022/23**

	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Property tax revenue (Structural Fire Fund - SFF)	\$ 325,727,253	\$ 326,138,528	\$ 411,275
Other revenues	261,475,778	233,881,406	(27,594,372)
Transfers in	3,097,603	3,097,603	-
Issuance of lease	-	18,711,118	18,711,118
<b>Subtotal revenues and transfers in</b>	<b>(A) 590,300,634</b>	<b>581,828,655</b>	<b>(8,471,979)</b>
Expenditures	561,515,271	550,014,528	11,500,743
Transfers out	26,110,226	26,110,226	-
Subtotal expenditures and transfers out	587,625,497	576,124,754	11,500,743
Less: Prior year encumbrances	(1,468,496)	(1,248,027)	(220,469)
Plus: Current year encumbrances	-	2,061,177	(2,061,177)
<b>Subtotal budgetary expenditures</b>	<b>(B) 586,157,001</b>	<b>576,937,904</b>	<b>9,219,097</b>
<b>Total unencumbered fund balance before adjustments</b>	<b>(A+B) 4,143,633</b>	<b>4,890,751</b>	<b>747,118</b>
Reconciling Items:			
Rebudget of FY 2022/23 uncompleted projects:			
Carryover budgeted FY 2022/23 revenues			21,467,150
Carryover budgeted FY 2022/23 appropriations			(22,046,115)
Subtotal			<u>(578,965)</u>
GASB 31 interest adjustment (investment market value)			5,210
Subtotal			<u>5,210</u>
<b>Total reconciling items</b>	<b>(C)</b>		<b>(573,755)</b>
<b>Total unencumbered fund balance with adjustments</b>	<b>(A+B+C)</b>		<b>\$ 173,363</b>
FY 2023/24 General Operating Fund budget (expenditures, other uses, and transfers out)			\$ 527,910,010
Unencumbered fund balance as a percentage of next year's General Operating Fund budget			0.03%

\* In the Financial Statements, the Combined General Fund includes four "sub-funds" as follows: General Fund CIP (12110), Structural Fire Entitlement (171), Workers' Compensation (190), and Settlement Agreement (139) which should not be included in the calculations of unencumbered fund balance. Therefore, activities in these four sub-funds have been eliminated from this calculation. The "General Operating Fund" includes only the General Fund (121) and the Property Management sub-fund (12150), which is identified separately only for internal accounting purposes.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 8, 2023**

**Agenda Item No. 3B**  
**Discussion Calendar**

**Quick Reaction Force (QRF) Program**

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**Contact(s) for Further Information**

Brian Fennessy, Fire Chief	<a href="mailto:brianfennessy@ocfa.org">brianfennessy@ocfa.org</a>	714.573.6010
Tim Perkins, Assistant Chief South Operations	<a href="mailto:timperkins@ocfa.org">timperkins@ocfa.org</a>	949.702.3868

**Summary**

This agenda item is submitted for approval of budget and contracts for the 2024 Quick Reaction Force (QRF) Program for 365 days from January 1, 2024 through December 31, 2024, with the option to renew for the 2025 Program year, in collaboration with Southern California Edison (SCE), Coulson Aviation (USA), Inc. (CAI), and the Orange County Fire Authority. The regional program will continue to operate in conjunction with Los Angeles County Fire Department (LACoFD) and Ventura County Fire Department (VCFD) and be available 24 hours a day for daytime and nighttime firefighting.

**Prior Board/Committee Action**

On November 17, 2022, the Board of Directors authorized the extension of the QRF Program for a duration of 390 days through December 31, 2023. This included approval of \$15,994,605 in funding and approval of various agreements for services including aerial firefighting equipment, a mobile retardant base, a program manager, Air Tactical Group supervisors, and other related services.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve the Funding Agreement with Southern California Edison in the attached form to accept funding in the amount of \$16,007,672 to fund the fixed-cost portion of the 365-day 2024 Quick Reaction Force Program, with the option to renew for the 2025 Program year (pending SCE funding for 2025).
2. Approve and authorize the Purchasing Manager to enter into new QRF-related vendor contracts, in the forms attached by the individual amounts needed in support of the QRF Program so long as the aggregate value does not exceed the program budget (see table).
3. Approve and authorize a FY 2023/24 General Fund (121) budget adjustment to recognize 2024 Program funding from SCE for a revenue increase of \$16,007,672 and to increase appropriations by the same amount. The 2025 Program funding will be reflected in the 2024-25 budget if SCE exercises the option to renew funding.
4. Approve the updated Cost Reimbursement Rate schedule to include the CH-47 Very Large Helitanker, S-61 Helitanker, and S-76 Helitanker daily stand-by and hourly flight rates, and

mobile fire-retardant plant daily stand-by and hourly rates, and hourly rates for Program Manager and Air Tactical Group Supervisors to be effective January 1, 2024.

5. Adopt an exemption from the California Environmental Quality Act (CEQA) pursuant to Title 14, California Code of Regulations, Section 15301 (Existing Facilities) and direct staff to file a Notice of Exemption.
6. Authorize the Fire Chief to approve non-substantive changes to the Agreements in items 1, 2 and 3 above, provided such changes are consistent with the purpose of the program described herein, do not increase the total cost of the program in either program year, and are in a form approved by General Counsel.

### **Impact to Cities/County**

The QRF services will enhance regional aerial wildland fire response.

### **Fiscal Impact**

Authorization of the Budget Adjustment will increase revenues and expenditures by the SCE funding allocation of \$16,007,672 in the FY 2023/24. Total funding for QRF services will come in the form of SCE funds, ABH reimbursements from other fire agencies requesting QRF services, and use of State Augmentation Funds for any non-reimbursable flight time, helicopter managers, and air base costs. The 2025 Program funding will be reflected in the 2024-25 budget if the option to renew the 2025 QRF Program is exercised by SCE.

### **Background**

#### **Quick Reaction Force (QRF) Program**

Wildland fire remains the most significant threat to life and property in California. Given the devastating and destructive wildfires of recent years, Governor Gavin Newsom, as well as fire agencies and utility companies throughout the state, continue to emphasize that wildfire mitigation and suppression are a top priority. The QRF is organized and dispatched as a complete aviation suppression package with everything it needs to operate at full capacity without having to rely on logistical support from the incident organization. When a wildland fire exceeds the suppression effort mounted during initial attack, the QRF Program rapidly deploys additional reinforcement aircraft including Very Large Helitankers, Aerial Supervision aircraft, and mobile fire-retardant plant services. The components of the QRF will again be strategically located throughout the three partner counties with Orange County's resources based at the Fullerton Municipal and Chino Airports. The QRF will operate within the defined fire threat areas of the SCE service territory as illustrated in the map (Attachment 6). Pending Board approval, the QRF Program will operate 24/7 for an additional 365-days from January 1, 2024 through December 31, 2024 with the option to renew for the 2025 Program year is exercised by SCE.

#### **Selection of Coulson Aviation (USA) Inc.**

##### Solicitation Process

After SCE announced its intent to fund the 2024 QRF program, OCFA staff issued Request for Proposals (RFP) SK2597 in accordance with Section 1-18 of the OCFA Purchasing Ordinance (Ordinance) on April 5, 2023 to select an aircraft provider. In accordance with Section 1-44 of the Purchasing Ordinance, the RFP utilized "Brand name or equal" specifications and documented that the purpose for this was to describe the standard of quality, performance, and other characteristics required for the program. The RFP included the specific aircraft that were used in prior QRF Programs and provided instructions on the type of information to submit if a firm proposed equivalent aircraft to what was specified. A pre-submittal teleconference was held on April 17, 2023 and two firms attended. Questions surrounding aircraft capabilities were discussed and a response was provided in Addendum One to the solicitation. No disputes relating to the

solicitation process were received and two proposals were submitted prior to the advertised due date and time. The evaluation criteria utilized to determine which Firm offers the best value, as defined in Section 1-15(1) of the Ordinance included: Method of Approach (30 points), Qualifications, Relevant Experience & Past Performance (45 points), and Pricing for VLHT (25 points).

ORANGE COUNTY FIRE AUTHORITY						
SK2597 - Aerial Firefighting Helitanker Services						
	Billings Flying Services			Coulson Group		
<b>Cost Proposal - Year One Total</b>	<b>\$10,070,891</b>			<b>\$14,047,457</b>		
<b>Evaluators</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>
A. Method of Approach (30)	12.00	9.00	15.00	30.00	30.00	24.00
B. Qualifications, Relevant Experience & Past Performance (45)	22.50	22.50	22.50	45.00	45.00	36.00
C. Price (25)	25.00	25.00	25.00	17.92	17.92	17.92
Sum of Written Proposal Scores	59.50	56.50	62.50	92.92	92.92	77.92
Initial Ranking	2	2	2	1	1	1
Sum of Initial Rankings	6.00			3.00		
<b>Overall Rank:</b>	<b>2</b>			<b>1</b>		

Brief summaries of the two proposals are as follows:

Coulson Aviation:

Coulson demonstrated having experience suppressing wildfires at night here in the United States, South America and Australia. The CH47 has a 3,000-gallon tank which was superior in its ability to carry water or retardant, translating into potentially greater efficiency. Their proposal met and/or exceeded the aircraft, equipment, experience and training requirements. The proposal included a spare aircraft (S61) that could be utilized when there is unplanned maintenance. Coulson also met the request for the Type II command and control aircraft used as a Helicopter Coordinator (HLCO) platform.

Billings Flying Service:

The proposal submitted by Billings provided a well written response identifying information about the firm’s experience, staff and technical resources. Billings has a strong history suppressing wildfire as call when needed (CWN) or exclusive use (EU) contracts during the day but lacked the necessary night flying experience. The proposed equipment lacked a retractable snorkel, which was part of requested equipment. The proposal also lacked the requested Type II twin engine aircraft for the HLCO platform. There were also questions regarding personnel availability to have 24-hour operational coverage 365 days a year.

The panel evaluators unanimously ranked Coulson Aviation highest in the evaluation criteria and for the above discussed reasons, the rankings demonstrated that the proposal submitted by Coulson Aviation provides the best overall value to OCFA.

Rank	Firm	Aircraft Proposed	VLHT Hourly Rates	Est. 2024 Cost (8,760 Hrs. Standby & 110 Hrs. Flight Time)
1	Coulson Aviation	VLHT, ATGS Platform, Spare Aircraft (S-61)	SB: \$1,016.10 Flight: \$10,462.36	\$14,047,456.55
2	Billings Flying Services	VLHT	SB: \$1,028.00 Flight: \$9,687.37	\$10,070,891.00



## Selection of Perimeter Solutions

### Sole Source Justification

In accordance with Section 1-21(1) of the OCFA Purchasing Ordinance, a “General Sole Source” procurement contract is recommended when it is determined, after conducting a good faith review of available sources, that there is only one source for the required service. The United States Forest Service (USFS) produces a Qualified Products List (QPL) detailing the fire retardant products that are approved for application on Federal lands. CAL FIRE also utilizes this list when determining what retardants may be applied to State lands. Per the USFS QPL, Phos Chek 259-Fx is the only retardant that may be dropped from the type of helitankers that will be utilized in the QRF program. Perimeter Solutions is the manufacturer of this unique, approved product and as such Perimeter is a key supplier to the USDA Forest Service, CAL FIRE and other large fire management agencies. Additionally, Perimeter Solutions is the only full-service solutions provider with a fire safety office, equipment, personnel, and available long term retardant materials in the Orange County region that can be deployed within 2-3 hours from initial call.

### Program Funding

SCE has agreed to provide \$16,007,672 for the 2024 QRF Program year in an effort to increase the effectiveness of aerial response to wildland fires and will cover the fixed costs of the CH-47, S-61 and S-76 Aerial Supervision Aircraft and the ATGS/HLCO for 365 days. In addition, SCE will fund the standby costs for the mobile retardant plant for 180 days during the highest-risk portion of the year, expected to be on standby July – December 2024. SCE will also fund a program management for the 2024 program up to \$610,000. In consideration for SCE’s commitment to provide Program Funding, the Agreement includes new provisions that OCFA (in partnership with SCE) will engage in legislative discussions that could support future funding from additional sources.

Separate from the SCE Program Funding, agencies requesting QRF services will cover the variable costs via ABH cost reimbursement. Program non-reimbursable costs will be covered by State Augmentation funds. The table below details the funding and estimated spending caps for the 2024 QRF Program:

<b>Program Funding:</b>		
<b>Funding Source</b>	<b>Description</b>	<b>2024 Program Total</b>
Southern California Edison	365-day Program Contribution (applicable to fixed costs)	\$16,007,672
<b>Total Funding Sources:</b>		<b>\$16,007,672*</b>

<b>Program Spending Caps:</b>			
<b>Contractor</b>	<b>Resource</b>	<b>Detail</b>	<b>Spending Cap</b>
Coulson Aviation Inc.	CH-47/S-61 Very Large Helitankers	Stand-by Lease: \$24,386.42 a day x 365-days (fixed-cost)	\$8,901,043
		Est. Flight time**: \$10,462.36 per hour x 200 hours (variable cost)	\$2,092,472

	S-76 Aerial Supervision Aircraft	Stand-by Lease: \$7,759.53 a day x 365- days (fixed-cost)	\$2,832,228
		Est. Flight time: \$3,969 per hour x 100 hours (variable cost)	\$396,900
Perimeter Solutions	Mobile Retardant Plant	\$10,080 a day x 180- days (fixed-cost)	\$1,814,400
		Est. Freight costs, overtime, water tender, etc. (variable cost)	\$572,728
ATGS/HLCO	Air Tactical Group Supervisors/Helicopter Coordinator	\$2,500 a day per ATGS x 365-days. Two ATGS's per day (fixed- cost)	\$1,825,000
		Incidentals/Travel/Misc.	\$25,000
Program Management	Professional Services and OCFA Staff Costs***	As needed/on demand Professional Services & OCFA Salary and Employee Benefits Costs	\$500,000
		OCFA Program Management	\$110,000
Air Base	Chino Airport	Airfield to serve as home base for aircraft	\$300,000
<b>Total Spending Cap:</b>			<b>\$19,369,772</b>

- \* Balance of funding will come from ABH Cost Recovery and use of State Augmentation funds.
- \*\* Coulson will substitute the S-61 in place of the CH-47 when necessary (estimated at 40 hours) and with the approval of the Fire Chief. The S-61 Flight rate is \$6,082.68, however budgeting is at the CH-47 level.
- \*\*\* The Program Management aggregate spending cap is available for both contracted services and OCFA Staff. OCFA Staff will serve in the Program Manager role during periods of time when contractor is unavailable. Aggregate spending will not exceed \$610,000.

### Optional 2025 Program Year

For the 2025 Program for the period January 1, 2025 through December 31, 2025, SCE has the option to fund the Program for the amounts agreed upon by OCFA for the stand-by costs and other reasonable Program costs (the “2025 Funding Amount”), provided that the increase in the 2025 Funding Amount over the 2024 Funding Amount does not exceed 3% (the “2025 Cap”), unless another amount is agreed to in writing by OCFA and one of the officers of SCE. SCE must notify OCFA in writing whether it will fund the 2025 Program. In the event SCE opts not to renew for the 2025 Program Year, provisions of the Agreements with SCE and with the Coulson Group include pass-through payment from SCE, through OCFA, to the Coulson Group of a non-renewal fee in the amount of \$6 million.

### Resources Available to Other Fire Agencies Upon Request

The CH-47 VLHT, S-61 helitanker, and S-76 Aerial Supervision Aircraft daily standby lease and hourly flight rates, the mobile retardant plant daily standby and variable cost rates, Air Tactical

Group Supervisors, and a Program Manager are being added to the equipment cost reimbursement rate schedule (attached). This will serve as the basis for OCFA cost reimbursement for services requested by other fire service agencies. OCFA will be responsible for the flight-time charges for OCFA's own use of the CH-47, S-61, and S-76 Aerial Supervision Aircraft resources.

### **California Environment Quality Act (CEQA) Exemptions**

CEQA's Class 1, Existing Facilities Exemption, applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private facilities, structures or topographical features involving negligible or no expansion of an existing or former use. (14 Cal. Code Regs., tit. 14, § 15301.) The Fullerton and Chino Airports are home to existing aerial facilities and operations. The Agreements would result in OCFA's temporary storage and operation of a CH-47 Very Large Helitanker, S-61 Helitanker, and S-76 coordination helicopter, and mobile fire-retardant plant at the Chino Airport for 365 days. Notably, the CH-47, S-61, and S-76 helicopters will be made available to over 15 other counties in the Southern California region; therefore, these helicopters could also be fighting fires in those other counties during this time. Based on all of the foregoing, the MOU calls for the operation of existing public and private facilities with no or negligible expansion of an existing use and the Class 1 Exemption therefore applies.

Staff recommends approval of the stated recommended actions for the 2024 QRF Program from January 1, 2024 through December 31, 2024 with the option to renew for the 2025 Program year (pending SCE funding for 2025).

### **Attachment(s)**

1. Proposed Funding Agreement with Southern California Edison (*Draft*)
2. Proposed Agreements
  - a. Professional Services Agreement with Coulson Aviation (USA) Inc.
  - b. Professional Services Agreement with Scott Jones
  - c. Professional Services Agreement with Perimeter Solutions
  - d. Professional Services Agreement for Air Tactical Group Supervisor (*template*)
3. Proposed Southern California Edison Service Territory Map
4. Proposed Cost Reimbursement Rates – Equipment

**FUNDING AGREEMENT BY AND BETWEEN THE ORANGE COUNTY FIRE  
AUTHORITY AND SOUTHERN CALIFORNIA EDISON COMPANY**

This Funding Agreement (“Agreement”) is by and between THE ORANGE COUNTY FIRE AUTHORITY, a California Joint Powers Authority (“OCFA”) and SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation (“SCE”), and is effective on the last date when both Parties sign this Agreement (the “Effective Date”). OCFA and SCE may be referred to herein individually as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, due to extreme weather associated with climate change, Southern California has experienced longer and more severe wildfire events throughout the year;

**WHEREAS**, to increase the effectiveness of its aerial response to wildfires, OCFA intends to enter into agreements for 2024 and 2025 that provide: (1) a 365 day lease and service agreement with Coulson Aviation (“Coulson”) for a CH47 and an S76 aerial supervision helicopter or their functional equivalents; and (2) a service agreement with Perimeter Solutions (“Perimeter”) for one Mobile Retardant Base (“MRB”) with a twelve-hour supply of retardant (such assets together, the “Fire Suppression Assets”); and (3) to fund an OCFA program manager to manage the Fire Suppression Assets and qualified aerial supervisors that meet Incident Command System standards (“QAS”).

**WHEREAS**, SCE has determined that the use of the Fire Suppression Assets offers significant benefits for wildfire suppression, protecting lives and property, including mitigating against damage to SCE’s transmission and distribution system, and increasing firefighter safety;

**WHEREAS**, OCFA and SCE desire for SCE to fund these activities for calendar year 2024 and have the option to fund these activities for 2025 as described herein.

**WHEREAS**, the Parties desire to enter into an Agreement that sets forth the terms and conditions pursuant to which SCE will contribute funds in the amounts set forth in this Agreement to OCFA for (1) the fixed lease costs with Coulson relating to helicopter stand-by costs, and the daily stand-by costs with Perimeter for the MRB including costs for fire retardant and gel, (2) QAS staffing costs, and (3) program manager costs (collectively, (1), (2), and (3) are the “Program”), while OCFA agrees to fund any and all flight time, operational costs, and any other costs incurred by OCFA in the Coulson and Perimeter lease and service agreements; and

**NOW THEREFORE**, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. The 2024 Funding Arrangement.**

Not later than January 19, 2024, SCE will electronically transfer the amount of sixteen million seven thousand and six hundred seventy two dollars (\$16,007,672) (the “2024 Funding Amount”) to OCFA. OCFA will use these funds exclusively to fund the Program costs. The lease agreement

with Coulson must begin on January 1, 2024 and end on December 31, 2024. The service agreement with Perimeter must begin on July 1, 2024 and end on December 28, 2024. OCFA shall fund the flight time and operational portions of the Coulson and Perimeter lease and services agreements, which include any and all costs required to operate the Fire Suppression Assets. The Parties acknowledge that time is of the essence in performing their obligations herein. If, for any reason, OCFA does not enter into the Coulson lease by December 1, 2023, or such other date agreed to by the Parties in writing, then SCE shall have no obligation to provide funding for the Program for 2024 and 2025 and shall not be required to pay the non-renewal fee described in Section 4. If SCE has provided the 2024 Funding Amount and OCFA does not enter into the Perimeter service agreement by July 1, 2024, or such other date agreed to by the Parties in writing, then OCFA shall return the amount of one million eight hundred fourteen thousand four hundred dollars (\$1,814,400) to SCE.

## **2. 2025 Funding Option**

For the 2025 Program for the period January 1, 2025 through December 31, 2025, SCE has the option to fund the Program for the amounts agreed upon by OCFA for the stand-by costs and other reasonable Program costs (the “2025 Funding Amount”), provided that the increase in the 2025 Funding Amount over the 2024 Funding Amount does not exceed 3% (the “2025 Cap”), unless another amount is agreed to in writing by one of the officers of SCE named in section 6 A. Not later than September 30, 2024 (subject to the other provisions of Section 4), SCE shall notify OCFA in writing whether it will fund the 2025 Program. If SCE elects to fund the 2025 Program, then not later than January 17, 2025, SCE will electronically transfer the 2025 Funding Amount to OCFA. OCFA will use these funds exclusively to fund the Program costs. The lease agreement with Coulson must begin on January 1, 2025 and end on December 31, 2025. The service agreement with Perimeter must begin on July 1, 2025 and end on December 28, 2025. OCFA shall continue to fund the flight time and operational portions of the Coulson and Perimeter lease and services agreements, which include any and all costs required to operate the Fire Suppression Assets. The Parties acknowledge that time is of the essence in performing their obligations herein. If, for any reason, OCFA does not enter into the Coulson lease by December 1, 2024, or such other date agreed to by the Parties in writing, then SCE shall have no obligation to provide funding for the Program for 2025 and shall not be required to pay the non-renewal fee described in Section 4. If SCE has provided the 2025 Funding Amount and OCFA does not enter into the Perimeter service agreement by July 1, 2025, or such other date agreed to by the Parties in writing, then OCFA shall return that portion of the 2025 Funding Amount related to Program costs attributable to Perimeter to SCE.

## **3. Reimbursement of Funds Received from Other Sources**

OCFA will work with members of the California legislature to gain support for a legislative effort to secure funding or reimbursement for the 2024 and 2025 Programs from the State of California. If Assemblywoman Cottie Petrie-Norris or other California legislators support such legislative

efforts, then OCFA will coordinate with its legislative lobbyists to draft proposed legislation and pursue support for the legislation. In support of OCFA's activities, SCE will coordinate its activities as appropriate with OCFA to support such legislation.

If OCFA obtains funding for the 2024 or 2025 Program from any entity other than SCE in advance of the start of the 2024 or 2025 Program, SCE's funding requirement for the 2024 or 2025 Program shall be reduced by the amount of such funding OCFA has received from other sources; provided, however, that OCFA shall not be required to reduce the 2024 or 2025 Funding Amounts to the extent the funds are clearly designated for flight time, OCFA's operational costs, or other non-Program costs borne by OCFA.

If OCFA receives funding or reimbursement from any entity other than SCE for all or part of its 2024 or 2025 Program after the start of the Program year, or for any reason does not spend all of the 2024 or 2025 Funding Amounts, then the amount of the third party funding or reimbursement, or unspent funds shall be applied as a credit to the funding agreement to the following year, if any, or refunded to SCE; provided, however, that OCFA shall not be required to reimburse or credit such funds to the extent the funds are clearly designated as a reimbursement for all or part of OCFA's actual operating costs incurred in fighting a fire.

If OCFA receives funds as a result of any judgment, regulatory or administrative agency decision, claim, or settlement arising from a specific fire incident or incidents whether obtained directly by OCFA or through another government entity for fires in 2024 or 2025 in which the Fire Suppression Assets were used, OCFA shall reimburse SCE for a pro rata share of such funds based on the standby costs incurred from the start of the fire incident or incidents response through the end of such incident or incidents response.

#### **4. Non-Renewal Fee**

If SCE elects not to fund the 2024 or 2025 Program, SCE shall pay OCFA a non-renewal fee of six million dollars (\$6,000,000), which OCFA will pay to Coulson under the terms of its agreement(s) with Coulson. SCE shall not be obligated to pay the non-renewal fee, regardless of whether it already has given notice of its intent to fund the 2024 or 2025 Programs, if:

- (1) OCFA has terminated the 2024 lease agreement with Coulson because of Coulson's uncured breach;
- (2) a force majeure event has prevented Coulson's performance of its contractual obligations with Coulson in 2023 or 2024 and the force majeure event could reasonably extend into 2024 or 2025;

- (3) OCFA or another firefighting agency or department covering SCE's service territory obtains funding of the 2024 or 2025 Program elements or their functional equivalents from any entity other than SCE in advance of the start of the next year's Program;
- (4) OCFA and Coulson do not reach agreement on terms for the 2024 or 2025 lease agreements or OCFA does not comply with the requirements of Section 5 concerning required terms in the lease agreements;
- (5) by December 1, 2023 or December 1, 2024, respectively, either Ventura County Fire Department (VCF) or Los Angeles County Fire Department (LAC) (or two other county fire departments within SCE's service territory, the "Replacement Agencies") do not enter into lease arrangements with Coulson for similar assets to be funded in part by SCE;
- (6) OCFA, VCF, LAC or the Replacement Agencies do not provide SCE with indemnity equivalent to the indemnity in Section 8 of this Agreement or include the required terms set forth in Section 5 in their contracts with Coulson; or
- (7) OCFA is unable to complete arrangements with Coulson for the 2024 or 2025 Program because SCE has elected not to provide funding, but Coulson has mitigated the lack of OCFA funding by entering into a lease agreement or agreements of 12 months or more for use of the aerial assets with another US based entity by December 31, 2023 or December 31, 2024, respectively.

For clarity, the non-renewal fee is a one-time payment if SCE elects not to fund the 2024 or 2025 Program, or both. Except as set forth in this Section 4, if SCE elects not to fund the 2024 Program, it shall pay the \$6,000,000 non-renewal fee in 2024 and have no further obligation for the 2025 Program. Except as set forth in this Section 4, if SCE funds the 2024 Program but elects not to fund the 2025 Program, it shall pay the \$6,000,000 non-renewal fee in 2025.

## **5. Other Terms and Conditions for the Lease Agreements with Coulson**

OCFA is responsible for negotiating with Coulson terms for each lease agreement, which agreements must comply with the commercial terms set forth in Sections 1 and 2. Additionally, OCFA shall require Coulson to include the following covenants in each lease agreement: (1) SCE is a named additional insured of each insurance policy during the term of the agreement; and (2) Coulson is and will perform the services as an independent contractor of OCFA. OCFA shall also require Coulson to provide representations and warranties that throughout the term: (1) Coulson has and will maintain full legal authority to operate consistent with the terms of the lease agreement; (2) Coulson will only use pilots and crew who are and remain fully qualified and trained as required by applicable law and industry best practices; and (3) Coulson will comply with all applicable laws, rules and regulations. Within 45 days following an incident in which the Fire Suppression Assets are used, Coulson will produce a post-incident report similar to the report that Coulson produced after the 2022 Route Fire. Within five (5) business days after a written request by SCE, OCFA shall confirm in writing that its contract with Coulson complies with each

of the requirements of this Section 5. If OCFA does not provide such written confirmation that its contract with Coulson complies with each of the requirements of this Section 5, then SCE may exercise its non-renewal right under Section 4 regardless of whether it has previously confirmed in writing its intent to fund the lease and services agreement for the following year as set forth in Sections 1 and 2.

## **6. Operations**

### **A. Operations Outside SCE's Service Territory**

The Fire Suppression Assets are intended primarily for use in fighting wildfires in SCE's service territory. Before using any of the Fire Suppression Assets more than one (1) mile outside SCE's service territory, OCFA shall discuss the intended use of the Fire Suppression Assets, including location, timing, and scope of activities, with either Steven Powell, SCE's President, or Jill C. Anderson, SCE's Executive Vice-President, Operations (or their delegates), and obtain their verbal consent for the intended use of the Fire Suppression Assets; provided further that the Fire Suppression Assets will be directed to promptly return to SCE's service territory if, in the judgment of Steven Powell, SCE's President, or Jill C. Anderson, SCE's Executive Vice-President, Operations (or their delegates) after consultation with OCFA's Fire Chief, OCFA and SCE determine that the Fire Suppression Assets are necessary or useful to assist in firefighting efforts in SCE's service territory. For clarity, if SCE gives consent for OCFA to use the Fire Suppression Assets outside SCE's service territory as described in this subsection, then OCFA, in the exercise of its professional judgment, may elect not to use the Fire Suppression Assets outside SCE's service territory or to recall the Fire Suppression Assets; provided, however, that if a decision is made as described in this subsection that the Fire Suppression Assets are necessary or useful in firefighting efforts in SCE's service territory and must be promptly returned to SCE's service territory, OCFA shall have no further discretion regarding that decision.

### **B. Roles and Responsibilities.**

SCE will communicate with OCFA concerning fire weather forecasts and share information in SCE's possession relevant to the repositioning or tasking of the Fire Suppression Assets; provided, however, that SCE makes no representation or warranty as to the accuracy or completeness of such forecasts and information in connection with this Agreement. SCE understands and acknowledges that OCFA can and does rely on other sources of data, forecasts and information when making decisions concerning repositioning or tasking of the Fire Suppression Assets, and that, subject to the limited exception described in Section 6A, such decisions are made in the sole discretion of OCFA.

Notwithstanding the limited exception described in Section 6A, SCE shall have no role in directing the operation or use of the helicopters and shall not be a party to the lease agreements with Coulson and Perimeter. As between SCE and OCFA, and subject to the limited exception described in Section 6A, OCFA is solely responsible for the safe and lawful operation and use



of the Fire Suppression Assets, including all decisions regarding deployment, maintenance, basing and positioning, pilot readiness, and ground support, and OCFA shall be solely responsible for compliance with the terms and conditions of the lease and all payments thereunder.

## **7. Data Collection.**

OCFA will collect and provide the data and information that SCE requires to allow SCE to (1) evaluate the effectiveness of the Fire Suppression Assets in suppressing wildfires, protecting lives and property, and increasing firefighter safety, and (2) respond to information requests from, or make regulatory filings and reports to, the California Public Utilities Commission (“CPUC”) and other regulators or governmental departments or agencies. Such data shall include, but not be limited to, the following: (a) aircraft utilization rate (flight time conducting suppression missions vs. standby hours), (b) gallons of water, gel or fire retardant dropped and number of drops per fire, (c) individual named fire perimeter maps illustrating drop locations, (d) post-incident reports prepared by Coulson and (e) whether and to what extent the Fire Suppression Assets are utilized outside of SCE’s service territory. OCFA shall work with Coulson Aviation to submit the foregoing data in report form and GIS shapefile to SCE on a monthly basis on the first day of each calendar month through the term of the Helitanker Provider lease and within five (5) days of SCE’s written request therefore at any other time during the term of the Helitanker lease term.

## **8. Indemnification.**

To the maximum extent permitted by law, OCFA shall indemnify, defend, and hold harmless SCE, and its respective successors, assigns, affiliates, subsidiaries, parent company, officers, directors, agents, and employees (“Indemnified Parties”), from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys’ fees and reasonably allocated cost of in-house counsel) to the extent arising from or related to the lease service agreements with Coulson and Perimeter, the professional services agreements with the Program Manager and the Air Tactical Group Supervisors, or operation or use (including, but not limited to prepositioning or tasking) of the Fire Suppression Assets. For clarity, regardless of whether SCE’s equipment was a cause of the wildfire, the preceding indemnification does not obligate OCFA to indemnify, defend, or hold harmless the Indemnified Parties, or any of them, from any third-party claim that any of the Indemnified Parties caused the wildfire, but only to claims that the operation or use of the Fire Suppression Asset resulted in damage to a third-party.

## **9. Authority to Contract.**

Each Party represents and warrants that it has the authority to contract or otherwise commit to perform the obligations herein.

## **10. Relationship of the Parties.**

Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute any Party to be the agent of another Party, nor authorize any Party to make or enter into any commitments for or on behalf of another Party.

**11. Public Announcements.**

Neither Party may issue any press release regarding the Agreement unless (1) the press release is issued jointly by the Parties, or (2) prior to the release, the Party proposing to make the announcement furnishes the other Parties with a copy of the press release and obtains the other Parties' written approval; provided, however, that if such press release is required to comply with applicable laws, including the California Public Records Act and the Ralph M. Brown Act, legal proceedings, or the rules and regulations of any court or stock exchange having jurisdiction over a Party, then the Parties shall work in good faith to develop a mutually acceptable announcement.

**12. Term and Survival.**

This Agreement shall be effective as of the Effective Date through the date that all obligations of the Parties hereto with respect to this Agreement have been satisfied (the "Term"), except that the Parties shall continue to be bound by the provisions of this Agreement which by their nature survive such completion or termination, including Sections 3 ("Reimbursement of Funds Received from Other Sources"), 4 ("Non-Renewal Fee"), 8 ("Indemnification") and 15 ("Governing Law").

**13. Written Notices.**

All notices, requests, demands, and determinations under the Agreement (other than routine operational communications), shall be in writing and shall be deemed duly given: (1) when delivered by hand, (2) one day after being given to an express courier with a reliable system for tracking delivery, (3) when sent by confirmed facsimile or electronic mail with a copy sent by another means specified in this Section, or (4) three days after the day of mailing, when mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid, and as addressed as specified below:

If to OCFA, addressed to:

Brian Fennessy

Fire Chief

1 Fire Authority Road

Irvine, CA 92602

If to SCE, address to:

Melanie Jocelyn

Southern California Edison Company

2244 Walnut Grove Ave.

Rosemead, CA 91770

Fax: (714) 368-8800

Email: melanie.jocelyn@sce.com

Email: brianfennessy@ocfa.org

With a Copy to:

David Kendig

c/o Woodruff & Smart

555 Anton Boulevard, Suite 1200

Costa Mesa, CA 92626

Fax: (714) 415-1183

Email: dkendig@woodruff.law

**14. Assignment.**

No Party shall assign this Agreement or any part or interest thereof, without the prior written consent of the other Parties, and any assignment without such consent shall be void and of no effect.

**15. Governing Law.**

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California.

**16. Entire Agreement.**

This Agreement contains the entire agreement and understanding between and among the Parties and merges and supersedes all prior agreements, representations and discussions pertaining to the subject matter of this Agreement. This Agreement is intended to be a final expression of the agreement of the Parties and except to the extent expressly referenced herein, is an integrated agreement within the meaning of Section 1856 of the California Code of Civil Procedure (the Parole Evidence Rule). There are no contemporaneous separate written or oral agreements between the Parties in any way related to the subject matter of this Agreement. No subsequent agreement, waiver, modification, representation or promise with respect to the subject matter of the Agreement made by the Parties hereto, or by or to any employee, officer, agent or representative of any Party shall be of any effect unless it is in writing and executed by the Parties hereto.

**17. Counterparts and Electronic Signatures.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of the Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

**[Signatures on Following Page]**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**“OCFA”**

**ORANGE COUNTY FIRE AUTHORITY**

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

Brian Fennessy

Fire Chief

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

**APPROVED AS TO FORM.**

**ATTEST:**

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

David E. Kendig

General Counsel

\_\_\_\_\_

Maria D. Huizar

Clerk of the Authority

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

**“SCE”**

**SOUTHERN CALIFORNIA EDISON  
COMPANY**

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

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

Name: Jill C. Anderson

Title: Executive Vice-President, Operations

**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between the Orange County Fire Authority, a public agency, hereinafter referred to as “OCFA”, and \_\_\_\_\_, hereinafter referred to as “Firm”. OCFA and Firm are sometimes individually referred to herein as a “Party” and collectively as the “Parties”.

**RECITALS**

WHEREAS, OCFA requires the services of a qualified firm to provide Aerial Firefighting Helitanker Services as requested in RFP SK2597, hereinafter referred to as “Project”; and

WHEREAS, Firm has submitted to OCFA a proposal dated April 23, 2023, incorporated herein by this reference (“Proposal”); and

WHEREAS, based on its experience and reputation, Firm is qualified to provide the necessary services for the Project and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Firm for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby employ Firm and Firm agrees to provide professional services as follows:

**AGREEMENT**

**1. PROFESSIONAL SERVICES**

**1.1 Scope of Services**

In compliance with all terms and conditions of this Agreement, Firm shall provide those services specified in the Scope of Services, attached hereto as Exhibit “A”, which includes by reference and by addendum: (1) OCFA’s RFP2597 (2) Firm’s Proposal, and (3) any amendments, addendums, change orders, or modifications mutually agreed upon by the parties hereto (“Services” or “Work”). Firm warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Firm represents and warrants that it and all employees, subconsultants and subcontractors providing any Services pursuant to this Agreement shall have a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In the event of any inconsistency between the terms contained in the Scope of Services,

and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement and then the Scope of Services shall govern, in that order.

## **1.2 Compliance with Law**

All Services rendered hereunder shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or local governmental agency of competent jurisdiction.

## **1.3 Licenses and Permits**

Firm shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement.

## **1.4 Familiarity with Work**

By executing this Agreement, Firm warrants that Firm (a) has thoroughly investigated and considered the Work to be performed, (b) has investigated the site of the Work and become fully acquainted with the conditions there existing, (c) has carefully considered how the Work should be performed, and (d) fully understands the facilities, difficulties and restrictions attending performance of the Work under this Agreement. Should the Firm discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by OCFA, Firm shall immediately inform OCFA of such fact and shall not proceed with any Work except at Firm's risk until written instructions are received from the Contract Officer.

## **1.5 Care of Work**

Firm shall adopt and follow reasonable procedures and methods during the term of the Agreement to prevent loss or damage to materials, papers or other components of the work, and shall be responsible for all such damage until acceptance of the work by OCFA, except such loss or damages as may be caused by OCFA's own negligence.

## **1.6 Additional Services**

Firm shall perform services in addition to those specified in the Scope of Services when directed to do so in writing by the OCFA Purchasing Manager, provided that Firm shall not be required to perform any additional services without compensation. Any additional compensation not exceeding fifteen percent (15%) of the agreement amount annually must be approved in writing by the OCFA Purchasing Manager. Any greater increase must be approved in writing by the Executive Committee of the OCFA Board of Directors.

## **2. TIME FOR COMPLETION**

The time for completion of the Services to be performed by Firm is an essential condition of this Agreement. Firm shall prosecute regularly and diligently the work of this Agreement according to the schedules set forth in Firm's proposal. Firm shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Firm. Delays shall not entitle Firm to any additional compensation regardless of the party responsible for the delay.

## **3. COMPENSATION OF FIRM**

### **3.1 Compensation of Firm**

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, in accordance with the pricing set forth in Exhibit "A".

### **3.2 Method of Payment**

In any month in which Firm wishes to receive payment, Firm shall no later than the first working day of such month, submit to OCFA in the form approved by OCFA's Finance Division Manager, an invoice for Services rendered prior to the date of the invoice. OCFA shall pay Firm for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Firm's invoice.

### **3.3 Changes**

In the event any change or changes in the work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Firm's profession.



### **3.4 Appropriations**

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

## **4. PERFORMANCE SCHEDULE**

### **4.1 Time of Essence**

Time is of the essence in the performance of this Agreement.

### **4.2 Schedule of Performance**

All Services rendered pursuant to this Agreement shall be performed within the time periods prescribed in Firm's Proposal, attached hereto as Exhibit "A". The extension of any time period specified in Exhibit "A" must be approved in writing by the Contract Officer.

### **4.3 Force Majeure**

The time for performance of Services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Firm, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Firm shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

### **4.4 Term**

This Agreement shall continue in full force and effect for one year (initial term) unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement. The contract may be renewed up to four (4) additional one-year terms upon mutual written agreement between OCFA and the Firm.

## **5. COORDINATION OF WORK**

### **5.1 Representative of Firm**

The following principal of the Firm is hereby designated as being the principal and representative of Firm authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith: Britton Coulson, President and COO.

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal is a substantial inducement for OCFA to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Firm and devoting sufficient time to personally supervise the Services hereunder. The foregoing principal may not be changed by Firm without the express written approval of OCFA.

### **5.2 Contract Officer**

The Contract Officer shall be, Assistant Chief Tim Perkins, unless otherwise designated in writing by OCFA. It shall be the Firm's responsibility to keep the Contract Officer fully informed of the progress of the performance of the Services and Firm shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

### **5.3 Prohibition Against Subcontracting or Assignment**

**5.3.1 No Subcontracting Without Prior Approval.** The experience, knowledge, capability and reputation of Firm, its principals and employees, and the Firm Representative were a substantial inducement for OCFA to enter into this Agreement. Therefore, Firm shall not contract with any other entity to perform in whole or in part the Services required hereunder without the express written approval of OCFA.

**5.3.2 Provisions in the Event Subcontractor(s) Are Authorized.** If Firm is authorized to subcontract any part of the Services as provided in Section 5.3.1, Firm shall be responsible to OCFA for the acts and omissions of its subcontractor(s) and subconsultant(s) in the same manner as it is for persons directly employed. For purposes of this Agreement, all persons engaged in the performance of Services will be considered employees of Firm. OCFA will deal directly with and will make all payments to Firm. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and OCFA. Firm shall ensure that all subcontractor insurance requirements set forth in Section 6 below (including its subsections) are complied with prior to commencement of Services by each subcontractor.

**5.3.2.1 Withholding Payment for Non-Authorized Subcontractors.** OCFA shall have the right to withhold payment from Firm for Services performed by any subcontractor or subconsultant performing Services but not authorized in writing by OCFA, or regarding which the insurance or other requirements under this Agreement have not been satisfied.

**5.3.3 Assignments.** Neither this Agreement nor any interest herein may be assigned, transferred, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of OCFA. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Firm, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Firm or any surety of Firm from any liability hereunder without the express written consent of OCFA.

#### **5.4 Independent Contractor**

**5.4.1** The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor, or any of its personnel, an OCFA employee. During the performance of this Agreement, Firm and its officers, employees, and agents shall act in an independent capacity and shall not act as OCFA officers or employees. Firm will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Firm shall at all times be under Firm's exclusive direction and control. Neither OCFA nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Firm or any of its officers, employees, or agents, except as set forth in this Agreement. Firm, its officers, employees or agents, shall not maintain a permanent office or fixed business location at OCFA's offices. OCFA shall have no voice in the selection, discharge, supervision, or control of Firm's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Firm shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. OCFA shall not in any way or for any purpose be deemed to be a partner of Firm in its business or otherwise a joint venturer or a member of any joint enterprise with Firm.

**5.4.2** Firm shall not incur or have the power to incur any debt, obligation, or liability against OCFA, or bind OCFA in any manner.

**5.4.3** No OCFA benefits shall be available to Firm, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Firm as provided for in this

Agreement, OCFA shall not pay salaries, wages, or other compensation to Firm for the performance of any Work or Services under this Agreement. OCFA shall not be liable for compensation or indemnification to Firm, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the OCFA has financial obligations, other than pursuant to Section 2 herein, of any nature relating to salary, taxes, or benefits of Firm's officers, employees, representatives, agents, or subconsultants or subcontractors, Firm shall defend, indemnify, and hold harmless OCFA from and against all such financial obligations.

## **5.6 Employee Retirement System Eligibility Indemnification**

**5.6.1** In the event that Firm or any employee, agent, or subcontractor of Firm providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction to be eligible for enrollment in an employee retirement system as an employee of the OCFA, Firm shall indemnify, defend, and hold harmless OCFA against: (1) all such claim(s) and determination(s); (2) for the payment of any employee and/or employer contributions for employee retirement system benefits on behalf of Firm or its employees, agents or subcontractors; and (3) the payment of any penalties and interest on such contributions which would otherwise be the responsibility of the OCFA.

**5.6.2** Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by OCFA, including but not limited to eligibility to enroll in PERS as an employee of OCFA and entitlement to any contribution to be paid by OCFA for employer contribution and/or employee contributions for PERS benefits.

## **6. INSURANCE AND INDEMNIFICATION**

**6.1 Compliance with Insurance Requirements.** Firm shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to OCFA, all insurance required under this section. Firm shall not commence any Services under this Agreement unless and until it has provided evidence satisfactory to OCFA that it has secured all insurance required under this section. If Firm's existing insurance policies do not meet the insurance requirements set forth herein, Firm agrees to amend, supplement or endorse the policies to meet all requirements herein.

**6.2 Types of Insurance Required.** Without limiting the indemnity provisions set forth in this Agreement, and in addition to the insurance requirements stated in Exhibit "A", Firm shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

**6.2.1 Professional Liability/Technology Errors and Omissions Insurance ("PLI").** Firm shall obtain and maintain PLI insurance applicable to each licensed profession practiced by Firm. Firm shall maintain PLI insurance with per-claim and aggregate limits no lower than one million dollars (\$1,000,000.00) each occurrence and two million dollars (\$2,000,000.00) aggregate. Covered professional services shall specifically include all Services to be performed under the Agreement and the policy shall be endorsed to delete any exclusions that may exclude coverage for claims within the minimum PLI Limits for the Services to be performed under this Agreement.

**6.2.1.1** The PLI policy shall be endorsed to delete any Contractual Liability Exclusion. The PLI shall include contractual liability coverage applicable to this Agreement. The policy must "pay on behalf of" the insured, and include a provision establishing the insurer's duty to defend the insured.

**6.2.1.2** If the PLI policy of insurance is written on a "claims-made" basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of all Services provided hereunder (the "PLI Coverage Period"). If any PLI policy is replaced, cancelled, non-renewed, discontinued, or otherwise terminated, or if the limits of a PLI policy are reduced or the available coverage depleted below the required minimum coverage amounts for any reason during the PLI Coverage Period, Firm shall immediately obtain replacement PLI coverage meeting the requirements of this Section 6.2.1. Such replacement coverage shall satisfy all requirements herein, and shall include coverage for the prior acts or omissions of Firm during the time period during which any Services were performed. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the OCFA.

**6.2.1.3** If the PLI policy is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the PLI policy during this period, new coverage shall immediately be obtained, and written evidence of the policy shall be immediately provided to OCFA, to ensure PLI coverage during the entire course of performing the Services.

**6.2.1.4** Firm shall not perform any Services at any time during which required types or amounts of PLI insurance are not in effect, and OCFA shall have no obligation to pay Firm for Services performed while required PLI insurance is not in effect.

**6.2.2 Commercial General Liability Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than

one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. If a general aggregate limit applies, the general aggregate limit shall be no less than two million dollars (\$2,000,000.00). Coverage for products and completed operations is required with limits no less than two million dollars (\$2,000,000.00) aggregate. CGL insurance shall be provided on an occurrence-based coverage form; a "claims made" CGL policy is not acceptable. Firm shall maintain CGL insurance with per-claim, aggregate and products and operations completed limits no lower than the minimum CGL coverage limits set forth above. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for any of the following: (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) any other exclusion contrary to this Agreement.

**6.2.3 Automobile Liability Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile liability insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury, disease and property damage. Defense costs shall be paid in addition to the policy limits. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles, and be endorsed to eliminate any exclusion applicable to any of them.

**6.2.4 Workers' Compensation Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance with limits no less than one million dollars (\$1,000,000.00), and in compliance with all other statutory requirements applicable in the State of California. Firm hereby waives on its own behalf, and shall obtain an endorsement from its workers' compensation insurer waiving on the insurance company's behalf, all rights of subrogation against the OCFA, its board members, officials, officers, employees, agents and volunteers.

**6.2.4.1** If subconsultants or subcontractors are used, Firm shall require each of its subconsultants and subcontractors, if any, to waive all rights of subrogation, and to obtain endorsements from the subconsultants'/subcontractors' workers' compensation insurers waiving all rights of subrogation, against the OCFA, its board members, officials, officers, employees, agents and volunteers.

**6.2.4.2** Firm and each of its subconsultants and subcontractors shall also maintain, in full force and effect throughout the term of this Agreement, Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00) per injury or illness.

**6.3 Acceptability of Insurers.** Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)),

by the latest edition of A.M. Best's Key Rating Guide, except that the OCFA will accept workers' compensation insurance from the State Compensation Fund. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Firm agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

**6.3.1** Firm shall immediately replace any insurer whose A.M. Best rating drops below the levels specified herein with an insurer that meets the minimum requirements herein.

**6.4 Specific Insurance Provisions and Endorsements.** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Firm shall provide endorsements on forms approved by the OCFA to add the following provisions to the insurance policies:

**6.4.1 CGL and Auto Liability Endorsements.** The policy or policies of insurance required by this Agreement for CGL and Automobile Liability Insurance shall be endorsed as follows:

**6.4.1.1 Additional Insured:** The OCFA, its board members, officials, officers, employees, agents and volunteers, shall be additional insureds; and

**6.4.1.1.1 Additional Insured Endorsements:** Additional insured endorsements shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Firm, (4) contain any other exclusions contrary to the Agreement; or (5) contain special limitations on the scope of protection afforded to additional insureds.

**6.4.1.2 Primary, Non-Contributing.** Each CGL and Auto Liability insurance policy shall be endorsed to be primary and any other insurance, deductible, or self-insurance maintained by the OCFA, its board members, officials, officers, employees, agents or volunteers, shall not contribute with the primary insurance.

**6.4.2 Notice of Cancellation:** Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice has been provided to the OCFA. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Firm's failure to pay the insurance premium, the notice provided by the insurer to OCFA shall be by not less than ten (10) days prior written notice. (A statement that notice will be provided "in accordance with the policy terms" or words to that effect is inadequate to meet the requirements of this Section).

**6.4.2.1 Pre-Payment of Policy Premium.** If for any reason an insurer declines to issue an endorsement certifying that it will notify OCFA in accordance with section 6.4.2, Firm shall either obtain insurance from another insurer who will provide the required notice endorsement or shall provide evidence satisfactory to OCFA that the entire policy premium for the full term of that policy has been pre-paid such that the risk of non-payment of premiums during the term of the policy has been eliminated.

**6.4.3 ACORD Forms Will Not Be Accepted in Lieu of Endorsements.** By executing this Agreement, Firm certifies that it has – prior to execution of this Agreement - confirmed that its insurance company will issue each of the endorsements required by this Agreement. Firm also certifies that it understands that "ACORD" Certificate of Liability Insurance forms will not be accepted in lieu of required endorsements.

**6.5 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA's sole and absolute discretion. (Firm may request pre-approval from OCFA of a deductible or self-insured retention prior to submitting Firm's Proposal).

**6.6 Waiver of Subrogation.** All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the OCFA, its officials, officers, employees, agents and volunteers, or shall specifically allow Firm or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Firm hereby agrees to waive its own right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers.

**6.6.1 Waivers of Subrogation: Subconsultants and Subcontractors.** If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall obtain from each subconsultant and subcontractor, and make available to OCFA upon request, written express waivers by each subconsultant and subcontractor of the right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers, and policy endorsements of each of its subconsultants' and subcontractors' insurance policies waiving any rights of subrogation against the OCFA, its officials, officers, employees, agents and volunteers insurer. All such waivers and endorsements shall be obtained prior to commencement of any Services by each subconsultant or subcontractor.

**6.7 Evidence of Coverage.** Concurrently with the execution of the Agreement, Firm shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Firm by this Section 5. Firm shall promptly furnish, at OCFA's request, copies of actual policies



including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

**6.7.1** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval.

**6.7.2 Authorized Signatures.** The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

**6.7.3 Renewal/Replacement Policies.** At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Firm shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies meeting all requirements of this Agreement.

**6.8 Requirements Not Limiting.** Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Firm; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the OCFA. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Firm under this Agreement. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for losses of any type or amount.

**6.9 Enforcement of Agreement (Non-Estoppel).** Firm acknowledges and agrees that actual or alleged failure on the part of the OCFA to inform Firm of any non-compliance with any of the insurance requirements set forth in this Agreement imposes no additional obligation on the OCFA nor does it waive any rights hereunder.

**6.10 Insurance for Subconsultants.** If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall be responsible for causing each approved subconsultant and subcontractor to procure and maintain insurance in the same types and amounts required for Firm, and in full compliance with the insurance requirements set forth in this Agreement, except as otherwise authorized in writing by the Contract Manager.

**6.10.1 Delivery of Evidence of Subcontractor Insurance.** Upon request of OCFA, Firm shall deliver to OCFA all certificates of insurance and endorsements required from subcontractors and subconsultants. (Note: Firm's duty to obtain all required insurance for subcontractors and subconsultants required under this Agreement applies whether or not OCFA requests delivery of evidence of such coverage.)

**6.11 Other Insurance Requirements.** The following terms and conditions shall apply to the insurance policies required of Firm and its subconsultants and subcontractors, if any, pursuant to this Agreement:

**6.11.1** Firm shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or non-renewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.

**6.11.2** All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

**6.11.3** None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the OCFA and approved in writing.

**6.11.4** Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay the Project. It is Firm's obligation to ensure timely compliance with all insurance submittal requirements as provided herein and Firm agrees to reimburse OCFA for any losses resulting from its failure, or its subconsultants' or subcontractors' failure, to timely comply with the requirements of this Agreement.

**6.11.5** Firm agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Firm, provide the same minimum insurance coverage required of Firm. Firm agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Firm agrees that upon request, all agreements with, and evidence of insurance from, subconsultants and subcontractors and others engaged in performing any Services will be submitted to the OCFA for review.

**6.11.6** Firm agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

## **6.12 Indemnification.**

To the fullest extent permitted by law, Firm shall defend (at Firm's sole cost and expense with legal counsel reasonably acceptable to OCFA), indemnify and hold the OCFA, its board members, officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Firm, its officers, directors, employees, subconsultants, subcontractors, agents or invitees in connection with performance under this Agreement, or in any manner arising out of, pertaining to, related to, or incident to an alleged breach of this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses.

Notwithstanding the foregoing, and only to the extent that the Services performed by Firm are subject to California Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Firm.

Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Firm's indemnification obligation or other liability hereunder. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the OCFA, its board members officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused by the sole negligence or willful misconduct of that indemnified party.

## **7. RECORDS AND REPORTS**

### **7.1 Reports**

Firm shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

### **7.2 Records**

Firm shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and enable the Contract Officer to

evaluate the performance of such Services. Except as provided in Section 7.5, the Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

### **7.3 Ownership of Documents**

Except as provided in Section 7.5, all drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of this Agreement shall be the property of OCFA and shall be delivered to OCFA upon request of the Contract Officer or upon the termination of this Agreement, and Firm shall have no claim for further employment or additional compensation as a result of the exercise by OCFA of its full rights or ownership of the documents and materials hereunder. Firm may retain copies of such documents for its own use. Firm shall have an unrestricted right to use the concepts embodied therein.

### **7.4 Release of Documents**

All drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of Services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

### **7.5 Confidential Materials**

Notwithstanding anything to the contrary in this Agreement, the Firm shall be the sole owner of Firm's work papers and of any other documents, data or information which are required to be maintained confidential from OCFA by one or more rules of professional conduct governing the Firm's profession(s) (collectively, the "Confidential Materials"). Neither the OCFA nor the Contract Officer shall have access to the Confidential Materials except as may otherwise be required by order issued by a court of competent jurisdiction.

## **8. ENFORCEMENT OF AGREEMENT**

### **8.1 California Law**

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Firm covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

## **8.2 Waiver**

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of OCFA shall be deemed to waive or render unnecessary OCFA's consent to or approval of any subsequent act of Firm. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

## **8.3 Rights and Remedies are Cumulative**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

## **8.4 Legal Action**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

## **8.5 Termination Prior to Expiration of Term**

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Firm, except that where termination is due to the fault of the Firm and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Firm shall immediately cease all Services hereunder except such as may be specifically approved by the Contract Officer. Firm shall be entitled to compensation for all Services rendered prior to receipt of the notice of termination and for any Services authorized by the Contract Officer thereafter.

Firm may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

## **8.6 Termination for Default of Firm**

If termination is due to the failure of the Firm to fulfill its obligations under this Agreement, OCFA may take over the work and prosecute the same to completion by contract or otherwise, and the Firm shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the compensation herein stipulated, provided that OCFA shall use reasonable efforts to mitigate damages, and

OCFA may withhold any payments to the Firm for the purpose of set-off or partial payment of the amounts owed to OCFA.

### **8.7 Attorneys' Fees**

If either party commences an action against the other party arising out of or in connection with this Agreement or its subject matter, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party.

## **9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

### **9.1 Non-Liability of OCFA Officers and Employees**

No officer or employee of OCFA shall be personally liable to the Firm, or any successor-in-interest, in the event of any default or breach by OCFA or for any amount which may become due to the Firm or its successor, or for breach of any obligation of the terms of this Agreement.

### **9.2 Covenant Against Discrimination**

Firm covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry. Firm shall take affirmative action to insure that applicants and employees are treated without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Confidentiality**

Information obtained by Firm in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Firm for any purpose other than the performance of this Agreement without the written consent of OCFA.

### **10.2 Notice**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

Orange County Fire Authority  
Attention: Sara Kennedy  
1 Fire Authority Road  
Irvine, CA 92602

**WITH COPY TO:**  
David E. Kendig, General Counsel  
Woodruff, Spradlin & Smart  
555 Anton Blvd. Suite 1200  
Costa Mesa, CA 92626

To Firm: Coulson Aviation (USA) Inc.  
Attention: Britton Coulson  
1200 NW Naito Parkway, Suite 200  
Portland, OR 97209

### **10.2 Integrated Agreement**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

### **10.3 Amendment**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

### **10.4 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

### **10.5 Corporate Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

**[Signatures on Following Page]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

**“OCFA”**

**ORANGE COUNTY FIRE AUTHORITY**

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

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

Sara Kennedy, CPPB  
Purchasing Division Manager

**APPROVED AS TO FORM.**

**ATTEST:**

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

David E. Kendig  
General Counsel

\_\_\_\_\_

Maria D. Huizar  
Clerk of the Board

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

**“FIRM”**

**COULSON AVIATION (USA) INC**

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

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

Name:  
Title:

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

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

Name:  
Title:



**EXHIBIT "A"**  
Scope Of Services

**A.1 PROJECT DESCRIPTION**

**A.1.1 BACKGROUND**

The mission of the QRF is to provide a supplemental aviation force to departments or agencies tasked with wildland fire control in their respective jurisdiction. The number one principle behind the QRF is to keep fires small by attacking them with a concentration of three large helitankers during initial attack, with the capability of sustaining the attack through the first night on fires with high growth potential. The QRF is a combination of aerial firefighting resources preassembled and organized to work together as a specialized unit twenty-four hours a day with the ability to safely drop either water or fire retardant both night and day from Very Large Helitankers (VLHT) and Large Helitankers (LHT). The QRF is organized and dispatched as a complete aviation suppression package with everything it needs to operate at full capacity without having to rely on logistical support from the incident organization.

The Operational Priorities of QRF:

- a) The primary goal of the QRF is to help extinguish new wildfires during initial attack.
- b) A secondary goal is to maintain a sustained attack throughout the first night of an emerging wildfire.
- c) The QRF may also be useful in extremis on part of an established large fire that is making an aggressive run threatening human life, residential structures, or other values at risk.

The QRF aircraft are positioned in the three host counties, ORC, LAC and VNC. When dispatched they are expected to quickly consolidate into a package and operate as an Aerial Task Force.

QRF contract aircraft and aircrews are interagency carded for day/night aerial suppression operations and are made up of the following resources:

- One (1) Type 1, ATGS Platform (rotary) / Intelligence & Information Gathering Helicopter
- Three (3) Type 1, 3,000-gallon, CH-47 (or equivalent) Very-Large Helitankers
- One (1) Type 1, 1,000-gallon, S-61 (or equivalent) Helitanker to be utilized as a replacement aircraft during periods of short-term unavailability of the OCFA CH-47
- One (1) Mobile Retardant Base
- Task Force Leader (Qualified as both ATGS & HLCO)
- Program Manager

The multi-helitanker QRF with its own fuel transports, maintenance support, intelligence, and supervision capabilities, can assemble, and move quickly delivering enough suppression power to be decisive during initial attack. The QRF Aerial Task Force includes a self-contained mobile retardant base (MRB) and enough product to mix 88,000 gallons of 259-Fx retardant before resupply becomes necessary. Rapidly positioning an MRB at a strategic location close to the fire reduces "dash" time (hover fill to retardant application) which will significantly increase retardant rates of delivery Mobile Retardant Base and support equipment will respond with all requests for the QRF Aerial Task Force.

A Program Manager is available 7-days a week, 24-hours a day to assist with extended attack deployments. All QRF resources and crews are available for immediate response 7-days a week, 24-hours a day. OCFA, QRF Task Force Leaders, are NWCG 310-1 qualified as both ATGS & HLCO. All cadre members have extensive career experience as ATGS & HLCO, including night operations. The 2022 NWCG Standards for Aerial Supervision (PMS505), 2019 NWCG Standards for Helicopter Operations (PMS510) and the 2022 Interagency Standards for Fire and Fire Aviation Operations (NFES 2724) provide the framework for the QRF.

Host agency Fire Chiefs retain the right to recall the QRF at any time for any reason. SCE is not responsible for operational control of the aircraft or the QRF program.

Requests for the QRF Aerial Task Force, to wildland fires outside the SCE service territory, that represent a clear and present danger to life and property will be evaluated on a case-by-case basis with the final decision made by the three host agency fire chiefs or their designee.

QRF host agencies (ORC, LAC & VNC) manage and operate their assigned aircraft consistent with agency owned/operated aircraft. QRF contract aircraft are qualified as “public aircraft operations (PAO) use. When a request for the QRF is dispatched, all QRF resources will be assigned to operate as part of the QRF Aerial Task Force. Requests for individual QRF resources will in general, not be honored. However, it there could be deviations on a case-by-case basis if agreed upon by the three host agency fire chiefs. Program funding is based on all QRF resources responding as a Task Force. Requests for next burning period use will be evaluated on a case-by-case basis. The Program Manager is the primary point-of-contact during QRF mobilization and demobilization activities.

The three host counties (ORC, LAC & VNC) may respond their individual QRF contract aircraft on initial attack within their own counties. QRF host agencies (ORC, LAC & VNC) provide daily Helicopter Manager (HMGB) staffing for Type 1 helitankers assigned to extended attack incidents. The HMGB’s shall adhere to standard Check-in and DEMOB procedures for the IMT. In addition to carrying out HMGB duties for the incident, HMGB’s coordinate their activities with the QRF Program Manager. When assigned as an Aerial Task Force, it is the host agencies expectation that the QRF “agency” aircraft be utilized consistent with agency owned aircraft and not placed into rotation with federal or state wildland fire agency exclusive-use or call-when-needed contract aircraft.

QRF contract aircraft provider must staff with aircrews having significant experience flying Type 1 helitankers at night, while aided by night-vision-goggles. QRF recognizes FIRESCOPE ICS-800 Night Flying Guidelines.

All QRF aircraft will communicate via VHF FM & AM. Data transmitted by the ATGS platform will utilize LTE FirstNet Modem.

#### **A.1.2 2022 QRF PROGRAM LOGISTICS**

**A.1.2.1**The aircraft will be available twenty-four hours per day for one hundred sixty-five consecutive days without interruption.

**A.1.2.2**The Orange County aircraft will be fully operated and maintained at the designated base.

**A.1.2.3**It is expected that the Firm will fully cooperate with the two other QRF Aerial Task Force host counties and their respective QRF contract aircraft providers and related personnel, officers and/or agents.

## **A.22022 QRF PROGRAM MINIMUM REQUIREMENTS**

### **A.2.1 OPERATOR MINIMUM QUALIFICATIONS**

**A.2.1.1** Operator must have minimum of 300-days of contract night fire suppression operations (government agency contract) within last five (5) years and be capable of operating 365 consecutive days with no interruption (7/24)

**A.2.1.2** Pilots and aircraft must be qualified to provide the services described herein and should be interagency inspected and approved (carded) at the time of award and must be carded prior to the program start date.

### **A.2.2 AIRCRAFT MINIMUM SPECIFICATIONS**

#### **A.2.2.1 INTERAGENCY REQUIREMENTS**

Aircraft must be USFS/CAL FIRE interagency inspected and carded prior to the program start date.

#### **A.2.2.2 ICS TYPE 1 CH-47 HELITANKER**

This aircraft will be assigned to Orange County and must be NVG capable. The helitanker must have a 3,000 USG capacity self-filling tank with retractable snorkel and a dash time of 140 knots from fire to hover-fill location. The helitanker must also be capable of operating in excess of two hours before refueling and may be rapid-refueled / hot fueling, so the helicopter can remain running while taking on fuel.

#### **A.2.2.3 ICS TYPE 1 S-61 HELITANKER**

This aircraft will be assigned as a short-term replacement aircraft in the event the OCFA CH-47 experiences down time due to maintenance, etc. The aircraft must be NVG capable with a NVG compatible cockpit. The helitanker must have a minimum of 1,000 USG fixed tank, that is configured hover fill / and or snorkel and operated as a firefighting, rotary wing, water, and retardant dropping helicopter.

#### **A.2.2.4 ICS TYPE 1 ATGS PLATFORM (ROTARY)**

This aircraft will be assigned to Orange County and must be NVG FAA certified. The aircraft must be equipped with thermal imaging camera and mapping system. Vendor personnel must include a sensor operator that is competent in operating the remote sensing equipment and producing finished data in the aircraft.

At a minimum the aircraft must be a Type II commercial utility helicopter and also fully qualified as a Type I Aerial Supervision platform equipped with:

- a) Qualified and current Air Tactical Group Supervisors (staffed 24/7)
- b) 3 VHF AM Radios
- c) 3 VHF FM Radios
- d) NVG Flight Deck
- e) 2 Nav GPS
- f) 2 Wide Area Augmentation System (WAAS) GPS System
- g) FLIR 380 HDc (IR/EO)
- h) CarteNav AIMS HD Software System
- i) Primary Mission Operators Station (PMOS)
- j) Secondary Mission Operators Station (SMOS)
- k) LTE FirstNet Modem (Transmit data to ground)
- l) Laser pointer to assist with targeting night Helitanker drops
- m) On Board Sensor Operation (staffed 24/7).

## **A.2.3 REMOTE SENSING EQUIPMENT FOR THE ICS TYPE 1 ATGS PLATFORM**

### **A.2.3.1 INSTALLATION REQUIREMENTS**

All technology required in this platform must either be:

- a. Original Equipment Manufacturer (OEM) installation,
- b. Under a Supplemental Type Certificate (STC)
- c. Approved for installation by an FAA Form 8110-3 with all DER supporting engineering substantiation documentation attached, or
- d. Field approved for installation with supporting FAA Form 8110-3 and all DER supporting engineering substantiation documentation attached.

### **A.2.3.2 INSTALLATION RECORDS**

All data pertinent for these installations shall be available for review by the Orange County Fire Authority and qualified interagency carding officials prior to program start date. Installations of the technology requirements are not acceptable as a minor alteration. FAA Field Approvals are authorized provided the following:

- a. Field Approvals based on previously approved installations must match aircraft Make and Model.
- b. Field Approvals using previously approved "generic" Field Approvals are not acceptable, e.g. a Field Approval for a King Air, based on a previously approved similar installation for an Aero Commander, would not be acceptable.

### **A.2.3.3 AIRCRAFT TECHNOLOGY**

The aircraft must possess sensors such as infrared cameras, mapping capabilities and the ability to transmit data (for example via LTE).

All information, data files, drawings, specifications, reports, records, documents and other materials obtained with and/or prepared by Firm in the performance of Services under this agreement shall be the property of OCFA and may not be released without the prior written approval of OCFA.

## **A.3 SUPPLIER RESPONSIBILITIES**

### **A.3.1 GENERAL**

Firm is responsible for providing the aircraft, fuel, pilot, sensor operator, maintenance crew, lodging, and all communications devices, including, but not limited to, tablets, laptops, radios, cell phones, printers, internet, etc. The Firm is also responsible for providing the OCFA Aviation Safety Inspector all required and requested maintenance and data records.

### **A.3.2 SUBSTITUTIONS**

In the event that any of the aircraft are unavailable during the contract performance period, including optional renewal terms, OCFA may consider short-term interchangeability for alternate aircraft. If the Firm wishes to substitute any aircraft, technology, or key personnel during the contract performance period, including optional renewal terms, it may not do so without the express written approval of the OCFA. No such approval will be granted unless the proposed substitution is of equal or higher qualification and/or caliber, as determined at the sole discretion of OCFA.

## **A.4 OCFA RESPONSIBILITIES**

OCFA will be responsible for providing base of operations and an ATGS to staff the ATGS platform.

#### **A.5 SUPPLIER INSURANCE REQUIREMENTS**

In addition to the coverage outlined in Section 6 of this Agreement, the Firm is required to provide evidence of the following levels of insurance coverage:

- \$50M aviation liability combined single limit, each aircraft, each occurrence
- \$50M aviation combined single limit, each occurrence and in the annual aggregate with respect to Products & Completed Operations Liability
- \$1M aircraft liability per passenger, baggage, and cargo
- \$1M auto liability
- \$1M pollution liability
- \$1M WC or self-insurance

#### **A.6 DUE DATES/SCHEDULES/TIMELINES**

The estimated annual program timeline is as follows:

- **January 1<sup>st</sup>** : Program Start
- **December 31<sup>st</sup>** : Program conclusion, meetings, presentations, reports, etc.

#### **A.7 REPORTS AND MEETINGS**

It is anticipated that representatives from the Firm will attend program setup and program post-operational meetings as requested.

#### **A.8 PRICING**

No payment shall be due to Firm prior to OCFA's receipt of funding from SCE.

All pricing is firm, and include all insurance, warranty, and transportation costs, unless otherwise specified herein. The Firm certifies that the pricing offered is no higher than the lowest price Firm charges other agencies for similar quantities under similar conditions. The Firm further agrees that any reductions in the price of the Goods or Services provided will apply to any undelivered balance. The Firm shall promptly notify OCFA of such price reductions.

Upon mutual agreement, OCFA and Firm may elect to extend the agreement beyond the initial term. Price escalation will only be granted during the 90 day period prior to each annual anniversary of the contract effective date. The Firm may submit a written request that OCFA increase the prices for an amount for no more than the twelve-month change for the month of July in the Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>) as reported for the then-most recent July plus 2.5%.

The Contractor's profit margin shall not be increased during the term of the renewal period nor during the term of any extensions granted. The OCFA shall review any requests for adjustment and respond in writing; such response and approval shall not be unreasonably withheld. No fuel surcharges will be accepted. No price increases will be accepted without proper request by Firm and response by the Purchasing Manager.

#### **A.9 PILOT CURRENCY TRAINING**

If either the primary or relief Day Flying Operations crew have not conducted any flights within the previous 25 days, Coulson pilots are authorized (1) hour of training that will be considered

a revenue flight paid by OCFA. The training is for both the HT47 and the S76. The S76 training is recommended to include HLCO/ATGS and ASO training in the same flight.

If either the primary or relief Night Flying Operations crew have not conducted any NVG flights within the previous 25 days, Coulson pilots are authorized (1) hour of training that will be considered a revenue flight paid by OCFA. The training is for both the HT47 and the S76. The S76 training is recommended to include HLCO/ATGS and ASO training in the same flight.

Part 135 and necessary pilot training to remain current according to Coulson Aviation policies and procedures will be considered revenue to the OCFA.

**A.10 STAFFING**

Mechanic Mandatory Time Off: Mechanics shall have at least two (2) days off during any 14 consecutive duty days. The (2) two days off are not required to be consecutive. Each day off shall not be less than 24 consecutive hours.

Pilot Staffing Mandatory Time Off: Pilots shall have at least two (2) days off during any 12 consecutive duty days. The (2) two days off are not required to be consecutive. Each day off shall not be less than 24 consecutive hours.

**A.11 FLIGHT TIME REFERENCES**

The table below is the standard we will be following. These standards are the Cal Fire / USFS accepted best practices outlined in the Contract Aerial Resource Standards. *Critical needs or circumstances could dictate OCFA Management to assess with Coulson pilots to operate outside of the recommended flight time.*

Duty Day Note 1 Note 2	14 hours maximum within 24-hour period
Rest Requirement Note 3	10 hours (consecutive)
Flight Time - Single Pilot	7 hours in a Duty Day
NVG Flight Time – Single Pilot	5 hours in a Duty Day
Flight Time – Dual Pilot	8 hours in a Duty Day
NVG Flight Time – Dual Pilot	6 hours in a Duty Day
Daily Staffing Limit Note 4	12 consecutive days
6 Days Note 5	36 - 42 hours

Note 1: Duty Day begins upon arrival at the work location and ends upon departure from the work location. If the work location is greater than a 30-minute drive time from the rest location, the duty day begins upon departure from the “suitable accommodation facility” and ends upon arrival at the “suitable accommodation facility”.

Note 2: Relief flight crew reporting for duty may be required to furnish a record of all duty time during the previous 14 days.

Note 3: Flight time is cumulative and resets only after the (10) consecutive uninterrupted hours of rest is met.

Note 4: During any 14 consecutive days, flight crew members shall be relieved from duty for not less than two days (two uninterrupted 24-hour periods). Days off need not be consecutive.

Note 5: Flight time exceeding 36 hours within 6 consecutive duty days or flight time exceeding 42 hours within 7 consecutive days requires 24 hours off.

## **A.12 ADDITIONAL**

## Executive Summary

The Coulson Group of Companies is a family-owned business that was founded in 1960. To date, the Coulson Group has evolved into a leading provider of specialty aviation services with an employee base of over 400 people. Over the last 63 years, the Coulson Group has consistently provided clients and customers with quality services and products, highly qualified technical staff and innovative support solutions.

Coulson Aviation has full time operating business locations in the United States, Australia, Canada, and Chile and is able to leverage off its worldwide support staff during busy times to conduct audits and cross train over year-round fire seasons.

The Coulson Aviation Group operates a mixed fleet of 21 aircraft consisting of:

- **Fixed Wing**
  - Two Lockheed C-130H's
  - Four Cessna 550/560's
  - One Bombardier Challenger
- **Rotary Wing**
  - Five Boeing CH-47D
  - Three Sikorsky S-61's
  - Two Sikorsky UH-60's
  - One Sikorsky S-76
  - Three Bell 412's

Coulson Aviation's operating fleet will be further expanding in 2023 with the addition of a third, fourth, and fifth C-130H and new Sikorsky S70i, operated by Coulson for the State of Colorado Division of Fire and Prevention & Control.

Coulson Aviation Group's operating companies are broken down as:

- **Australia – Coulson Aviation Australia**
  - Air Operator Certificates
    - Aerial Work (Part 138)
    - Air Transport (Part 133)
  - Maintenance
    - Approved Maintenance Organization CASA.145.0228
- **Canada - Coulson Aircrane Ltd**
  - Air Operator Certificates
    - Aerial Work (702)
    - Air Taxi (703)
    - Commuter (704)
  - Maintenance
    - Approved Maintenance Organization # 140-90
- **Chile – SERVICIOS AÉREOS HIGH FLY**
  - Air Operator Certificate
    - Aerial Work



- **United States – Coulson Aviation USA**
  - Air Operator Certificate
    - Private (Part 91)
    - Rotorcraft External Load (Part 133)
    - Commercial Agriculture Operations (Part 137)
    - Air Charter (Part 125)\*
  - Maintenance
    - Repair Station 7CUR207C

*\*Coulson Aviation USA is in the final stages of its FAA Part 125 Approval and expects to conduct its evacuation demonstration prior to the 2023 fire season.*

As the Coulson Aviation Group continues to expand its complex operation in all counties, its systems and support infrastructure are critical to maintaining a high level of safety and quality. Coulson Aviation has built a matrix for all requirements for all the countries it operates in and conducts pilot training to the highest standards for maximum operational flexibility. This means all Coulson Aviation pilots are trained to commercial air transport requirements and all maintenance is done to a commercial carrier standard.

Coulson Aviation USA operates from its primary base in Thermal, California and maintains offices in Reno, NV as well as Portland, OR.

Coulson Aviation is the industry leader with the knowledge, skill, and proven track record in supporting wildland fire suppression services and operations 24/7/365.

## Our Commitment

Coulson is committed to ensure that its best-in-class rotary fleet of are the safest, most technologically advanced aerial firefighters for the rigorous missions expected of them. Understanding the long-term effects of the aerial firefighting mission profile and development of appropriate inspection, maintenance and repair regimes ensures the long-term durability of the aircraft for the aerial fire suppression missions and ultimately ensures the safety of flight personnel, ground fire fighters and the public.

## Scope of Work Objectives

Coulson’s extensive operational experience in rapid response, combined with best-in-class technology for retardant disbursement & intelligence software to effectively extinguish fires in the early stages of ignition. As the industry leader in night operations, Coulson is 100% confident in our abilities to and exceed in the priorities of the QRF program:

- 1) Extinguish new wildfires during the initial attack
- 2) Maintain a sustained attached throughout the evening
- 3) In both rural and urban settings.

### **2.3.1 OPERATOR MINIMUM QUALIFICATIONS**

Coulson Aviation USA has been successfully conducting Night Vision Goggle Fire Fighting Operations (NVGFFO) since 2010. These efforts were after Coulson Aviation pioneered the first and only nighttime aerial helicopter logging operations in the world to date. The first year Coulson Aviation conducted NVGFFO's was in Canada and approved by Transport Canada in 2010. Coulson later received approval in Australia in 2017 after doing trails, training, and testing for several years. This was a tremendous approval and commitment effort on both Coulson Aviation and CASA. Coulson Aviation has been conducting night firefighting operations ever since.

Coulson Aviation owners, management and regulators have spent tremendous time since 2017, preparing CASA and Australian fire agencies for the opportunity to conduct Initial Attack at night. Coulson received the first approvals for Initial Attack at night in Australia in the 2021 fire season for multiple CH47's and S61's. All Extended Attack operations prior to this time, helped reinforce the training and trials in a crawl, walk, run methodology. The need for an additional overhead night vision helicopter equipped with FLIR 380HD equipment has manifested itself on several occasions. While gathering important fire data was the goal, the realization that the additional aircraft brings a tremendous amount of safety to the nighttime operation for the tactical aircraft.

Coulson Aviation has also operated in the Southern California Region with a Quick Reaction Force program funded by So Cal Edison (QRF). During the last four years Coulson Aviation has conducted operational periods in excess of 165-day contracts providing continuous coverage 24/7 throughout the duration of said contract, again with the highest level of safety, and service. This type of contract takes a tremendous amount of commitment, capital expense for additional crews and should not be taken lightly. A full commitment to manage safety over goals, expectations, and costs, must always prevail as the priority between the customer and company. The company leadership must spearhead these efforts to ensure that all crew members who are qualified are operating to a commercial standard adopted and approved by regulators, customers and the company.

In the past 5 years, Coulson Aviation has held government agency contracts and has operated over 2,700 aircraft contract days for night fire suppression and currently has the crew in place to continue 7/24/365 operations with its fleet of helicopters.

### **2.3.2 AIRCRAFT MINIMUM SPECIFICATIONS**

Coulson's fleet of aircraft will be made available for flight and static inspection prior to contract start date, are all currently carded by the USFS/CAL Fire and will be re-carded prior to the program start date.

Coulson's Boeing CH-47D, equipped with the RADS-L Delivery System, meets the requirements set forth by OCFA in 2.3.2.3.

Coulson's Sikorsky S-61N backup aircraft meets the requirements set forth by OCFA in 2.3.2.4.

Coulson's Sikorsky S-76B meets the requirements set forth by OCFA in 2.3.2.5, specifically including:

- a) Qualified and current Air Tactical Group Supervisors (staffed 24/7)
- b) 3 VHF AM Radios
- c) 3 VHF FM Radios
- d) NVG Flight Deck
- e) 2 Nav GPS
- f) 2 Wide Area Augmentation System (WAAS) GPS System
- g) FLIR 380 HDc (IR/EO)
- h) CarteNav AIMS HD Software System
- i) Primary Mission Operators Station (PMOS)
- j) Secondary Mission Operators Station (SMOS)
- k) LTE FirstNet Modem (Transmit data to ground)
- l) Laser pointer to assist with targeting night Helitanker drops
- m) On Board Sensor Operation (staffed 24/7).

All mentioned equipment is installed per the FAA requirements and all records available for review upon request.

## 2.6 SUPPLIER INSURANCE REQUIREMENTS

For the duration of the contract, Coulson will provide evidence of the following insurance coverage:

- \$50M aviation liability combined single limit, each aircraft, each occurrence
- \$50M aviation combined single limit, each occurrence and in the annual aggregate with respect to Products & Completed Operations Liability
- \$1M aircraft liability per passenger, baggage, and cargo
- \$1M auto liability
- \$1M pollution liability
- \$1M WC or self-insurance

## Exhibit F: Questionnaire

- **Firm's Information:**
  - a. Types of services offered: Wild land fire suppression, passenger transportation, timber harvesting, petroleum exploration, power-line construction and other heavy lift services.
  - b. Year founded: 1990 (Parent company was founded in 1960)
  - c. Location of office(s): Port Alberni BC (Canada), Portland OR, Reno NV, Thermal CA, Bankstown Airport Sydney (Australia).
  - d. Number of employees: 410
  - e. Number of clients: 14
  
- **Qualifications & Relevant Experience:** Coulson Aviation has been providing aerial fire fighting contracts for the last thirty three years to the USFS, CAL FIRE, DOI, FEMA, and the Governments of Bolivia, Chile, Private Land Companies, The New South Wales Rural Fire Service (Australia), and the State of Victoria (Australia) contract for aviation fire fighting resources. These contracts have been for both large airtankers and large heavy lift helicopters providing both Extended Attack, Initial Attack and Night Extended Attack and Night Initial Attack. Coulson has also provided the Counties of Los Angeles, Orange, Ventura, and Riverside with the same service agreement as this RFP and currently holds the contract. Coulson's flight crews and aircraft have been certified for Night Vision Goggle flights and fire fighting work since 2010 and the company has just well over 2700 contract days providing this service. Coulson has continued to conduct NVG operations consecutively every year accident free, building a wealth of nighttime aerial fire fighting experience and understanding. All of these programs have been high profile and Coulson has pioneered and led the commercial fire fighting industry into the nighttime environment. Coulson is the only non-government Type 1 operator in the world to conduct NVG firefighting operations.
  
- **Aircraft, Technological Capabilities, and Available Resources:** Provide information regarding the following:
  - a. Aircraft specifications
    - Boeing CH-47D  
The CH-47D has a state-of-the-art 3,000 USG capacity self-filling tank with retractable snorkel and a speed of 140 knots from fire to hover-fill location. The helitanker is also capable of operating for more than two hours before refueling, and may be rapid-refueled / hot fueled, so the helicopter can remain running while taking on fuel.
    - Sikorsky S-61N  
The S-61N is NVG certified and has a Carson 1,000 USG fixed tank, that is configured for hover/snorkel fill and is operated as a firefighting, water and retardant dropping helicopter.
    - Sikorsky S-76B  
The S-76B is NVG certified and currently equipped with thermal imaging camera and mapping system. Vendor personnel will include a sensor operator that is competent in operating the remote sensing equipment and producing finished data in the aircraft.
  - b. Installation data for the sensor equipment
    - The FLIR/Mapping system is installed via STC SR02352AK, permission letter to be provided upon request.
  - c. Specifications and capabilities of the proposed EO/IR sensor
    - The S-76B camera is a Teledyne FLIR Safire 380 HDc. It has Infrared and short-wave infrared scanning coupled with Electro optical cameras. The unit also contains a laser pointer system.

- d. Specifications and capabilities of the proposed Moving Map Software/Hardware
    - The S-76B mission operation software is CarteNavs AIMS-HD. It has full moving map and fire perimeter acquisition. It also has distance/range/target acquisition. Furthermore it is capable of incorporating multiple user created data sources.
  - e. Specifications and capabilities of the proposed method for Data Transmission
    - The S-76B uses a PepWave modem that will utilize a AT&T FirstNet LTE cellular connection. The system has the ability to connect or provide a Wi-Fi connection.
  - f. Available resources
    - The system has the capability to remote connect to allow maintenance and upgrades. The PMOS is a compact rugged one-piece unit that is easily accessible and does not require any other computing or software sources.
  - g. Value-added services: Provide information on any innovative or unique methods, or value-added services available that distinguish your firm from others
    - We have a fully dedicated and supported GIS system/programmer for the aircraft/systems/software. There is further solely sourced support for the PMOS system from Coulson resources.
  - h. Known or planned periods of aircraft unavailability during the program performance period, along with a detailed plan for short-term aircraft interchangeability.
    - Coulson is providing a fully configured and contract compliant Sikorsky S-61N as a backup aircraft to cover any unavailability for both AOG's and planned maintenance events.
- Provide specific project-related information demonstrating competence in the services to be provided; including supporting evidence of available technology, operations plans, and overall approach to the provision of services as described.
 

Coulson Aviation has developed an operational plan for each year of the QRF operating with the 2022 version provided as an attachment "Coulson QRF Ops Plan.pdf". The QRF Operational Plan is an internal document that sets the intent and provides operational information for all Coulson QRF operatives to be guided and to assist integration with then County Fire Departments. This Operational plan is supported by other documents to improve and achieve excellence, effective and efficient aerial firefighting.
  - Explain how your Firm keeps abreast of the latest changes in current related aviation and communications technology, fire-related air operations, and other requirements.
 

Coulson is a leader in Aviation technology and with a company structure that provide expertise and innovation to be supported and sponsored by the CEO and COO. Technology and innovation in aviation and communications with a speciality in aerial firefighting.
  - Provide information on any innovative or unique methods used that distinguish your Firm from other agencies providing services.
 

An example is the tank delivery system installed in the Large Air Tanker and Very Large Helitankers, along with intelligence and camera technology operating on both fixed and rotary aircraft. All listed above are live examples of technology research and adaption into aerial firefighting. These investments has been funded and supported internally and has been developed over a decade and deployed in 3 continents (North America, South America and Australia).

- Provide sample of previous related services completed. Include any related imaging and analysis work for relevant projects and other work for consideration. What additional deliverable documentation would you provide for the tasks that you perform?
  - Coulson Aviation operates in South America and Australia providing both fixed and rotary aerial firefighting aircraft. The QRF is unique, and the qualities listed below provides an overview of the Coulson approach and details the following:
    - The QRF is a high effective and efficient aerial firefighting capability that is world leading and delivers fire suppression results both day and night.
    - The design is focused on end to end performance is world leading in both initial and extended attack.
    - The changing environments in the climate, weather and landscape including soil dryness and population growth will continue to challenge fire management capabilities.
    - The QRF is a unique capability that provides large volumes of water/retardant delivered from the sky; fast aircraft in operation and speed; a Task Force approach with multiple aircraft working together to maximize the available capacity.
    - The QRF has a proven performance scorecard that provides evidence on succeeding on day and night operations with 60% of the QRF deployment being at night when there is no other aircraft available.
  
- What are your Firm's plans to acquire or obtain spare aircraft or equipment if necessary? Please provide details.
  - Coulson has an extensive fleet that is supported by back up aircraft and equipment. There is currently a stock of aircraft, aircraft parts and we continue to investigate what aircraft is available for purchase to build the depth and breath of the Coulson fleet.
  
- Provide the name of the principal or project manager in the firm who will have direct and continued responsibility for the project.
  - QRF Principal Wayne Coulson
  - QRF Program Lead Craig Lapsley
  
- Please describe how your firm will fulfill the services requirements called for in this RFP. Indicate your ability to commit resources through the term of a project. Indicate whether you have contracts with resources to ensure their long-term availability for projects.
  - The QRF resources will be dedicated to the QRF for the longevity of the QRF program. Coulson has a base in Thermal, California that provides the direct support and resources required for the commitment and service needs of the RFP.
  
- Describe your firm's ability to provide personnel with the aviation knowledge, technical knowledge and qualifications outlined in the position requirements without any loss of service or performance levels to the OCFA.
  - Coulson Group employs over 400 personnel with 50% being dedicated to the Rotary aviation department. The size of the team provides depth and the expertise within the team is second to none. Coulson has built a team of the most knowledgeable and innovative with very high levels of expertise in aviation and aerial firefighting. These highly experienced and qualified individuals provides an excellent team that is focused on service delivery, performance and integration with other aircraft resources. Coulson, as the incumbent on this contract, has proven year after year its team of experts meet or exceed the OCFA performance levels.

- Explain how your Firm selects and retains resources with current, high-quality skill sets.  
Recruitment, retention and reward are three key themes of Coulson and are coupled to an operating a fleet that is the best in the aerial firefighting industry worldwide. The Coulson profile and work ethic provide an employee opportunity that generates that best to come and stay. Success is measured by performance, service delivery and quality personnel to deliver the best aerial firefighting capability in the world.
  
- Provide information regarding assigned persons regarding experience in providing services as described. Include resumes for each of your assigned team members including specific knowledge, expertise and experience in providing services as described. Pilot carding, certifications, experience in the specific services required. Include a description of training for team members including initial training program and any ongoing training/monitoring. Identify all licenses/certifications currently held.  
All Coulson crew members are trained annually in aircraft systems, basic flight maneuvers, advanced firefighting tactics and maneuvers. This training also includes Night Vision Goggle recurrent ground school and flight training by Coulson FAA Certified NVG instructors and/or outside training centers. Flight crew members are also trained in Fire Shelter Use and Deployment considerations. First Aid and CPR, as well as HUET (Helicopter Underwater Egress Training) is conducted every three years. Coulson conducts FAA check rides annually and has lead pilots assigned to each QRF base. Coulson management personnel monitor the actions of the flight crews by conducting daily conference calls with all QRF bases, both day and night shift to assure good transparent communication. In addition to the daily calls, Coulson management has biweekly meetings with the Deputy Chiefs of OCFA and weekly meetings making sure that all contact services and objectives are met in the most expedient means possible. Coulson has included all pilot resumes as attachments.
  
- Describe the level of customer service that will be provided, including procedure that will ensure consistency and problem escalation and resolution. The description should include: customer service organizational structure, contact process, follow up process, other internal procedures.  
Customer Service has a number of layers commencing with the Program Principle being the CEO of Coulson who is supported by a Program Director and the Chief Operating Officer and his team of Directors that lead Rotorcraft Operations and Maintenance. These Directors are supported by a Safety Management System and Technology and Communications leads. Contract and Financial Management are functions lead by a Director and report to the CEO.
  
- Provide a sample of completed reports and documentation presenting the system capabilities as offered.  
Please see attached "Operational Effectiveness and Efficiency of the QRF.pdf" and "QRF Route Fire Presentation.pdf".
  
- Please describe what spare aircraft would be available to replace the primary water dropping or the ATGS platform in the event either are unavailable. Please describe how you will be able to shuttle crews on an existing fire to help keep aircraft in service and available to the incident.  
In the event of an unavailable water dropping aircraft, Coulson has allocated for an S61 to be available to provide the following:
  - An S61 (tanked) would be available to replace a VLHT when not available
  - An S61 has the capability to seat 18 PAX and would be crewed to fly QRF crews in the LA Basin to achieve effective crew changeovers for day and night operations

- Describe your program mobilization process.

The QRF aircraft are fully supported and crewed 24/7 365 days and the mobilization process is defined by the County Fire Departments at the nominated airbases. The Coulson mobilization capacity includes mobile fuel tankers, mobile maintenance vehicles, mobile crew support vehicles. All of these vehicles are permanently attached to the aircraft operating in the QRF. To support the resources senior personnel and dedicated to coordinate with the QRF management and County Fire Departments to achieve the best and most appropriate mobilisation of all assets.
  
- The agreement resulting from this solicitation is dependent upon the award of grant funds to OCFA by SCE, anticipated to occur in the latter part of 2023. In the event that funding is not provided, OCFA may elect to terminate this agreement. Should the QRF Program be cancelled at any point in time, due to termination of funding by SCE, will your firm request any minimum guaranteed payments?

Should SCE not continue to fund the program for the duration of this contract (guaranteed plus option years), Coulson will require an early termination fee of \$6,000,000. Coulson has a pre-existing agreement with SCE to this effect, contingent upon Coulson being awarded the contract, and OCFA in not a party to this agreement.
  
- If OCFA elects to end the program for any reason other than the termination of funding by SCE, will your firm request any minimum guaranteed payments?

The early termination fee listed above is only required if SCE terminates the contract.



**Pricing Summary:**

Per Exhibit H and the proposal requirements, below is the pricing information separated from the technical proposal.

Costs for Project Services as Described			
Description Of Services (365 Days)	Est. Quantity (Hours)	Unit Cost (Rate)	Est. Extended Total
ICS Type I CH-47 (or equivalent) Standby Hourly Rate	8,760	\$1,016.10/hr	\$8,901,043.30
ICS Type I CH-47 (or equivalent) Hourly Flight Rate	110	\$10,462.36/hr	\$1,150,859.60
ICS Type I ATGS Platform (Rotary) Standby Hourly Rate	8,760	\$323.31/hr	\$2,832,228.45
ICS Type I ATGS Platform (Rotary) Hourly Flight Rate	140	\$3,969/hr	\$555,660
ICS Type I S-61 (or equivalent) Standby Hourly Rate <i>Applicable only during unavailability of the OCFA CH-47. Provide the estimated number of hours the OCFA CH-47 will be unavailable each year.</i>		Prior to Dec 7 it was \$22,050, after this it was \$24,386.42 (same rate as CH47)	TBD
ICS Type I S-61(or equivalent) Hourly Flight Rate <i>Applicable only during unavailability of the OCFA CH-47.</i>	TBD	\$6,082.68/hr	TBD
Other (please provide a description, estimated quantities, unit cost and extended total for each additional support item required for the respective aircraft below):			
Mileage rate of \$5.60 for the Fuel Service Vehicle			
This is priced with a low day rate that does not include any penalties for unavailability			
<b>Total:</b>			
<i>This total amount will be used to calculate the score for Criterion 4.2.3)</i>			
Value Add: Provide Description and Pricing for Additional Items/Services Available to OCFA			
Description Of Services (365 Days)	Est. Quantity	Unit Cost	Est. Extended Total
Supply of Gel Product		Cost + 15%	
Supply of a Mobile Retardant Truck	Minimum 180 Days Per Year	\$2,889 Per Day	\$520,000
Supply of additional S-61N Helitanker		To be negotiated	

H1. Provide a description of the key assumptions used to calculate the project fees. If appropriate, identify cost saving strategies.

The key assumptions used to calculate the project fees:

- CH47 - 4 crews consisting of: 8 pilots, 4 crew chiefs, 4 flight engineers, 2 truck drivers and 4 mechanics
- S76 - 2 crews consisting of 2 pilots, 2 camera operators and 2 mechanics
- Crew rotations based on a 21-day schedule

**EXHIBIT "B"**

Funding Agreement Between SCE and OCFA

OCFA and Firm agree to abide by the terms and conditions contained within the following SCE and OCFA QRF Funding Agreement:

**SEE ATTACHMENT 1 FOR COPY OF  
FUNDING AGREEMENT WITH SCE**

**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) is made and entered into this \_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ 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 Scott Jones, an individual (“Contractor”). OCFA and Contractor are sometimes individually referred to herein as a “Party” and collectively as the “Parties”.

**RECITALS**

WHEREAS, OCFA requires a qualified Contractor to deliver project management and support services; and

WHEREAS, based on Contractor’s qualifications and experience, Contractor is capable of providing the required personnel and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Contractor for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby retain Contractor and Contractor agrees to provide professional services as follows:

**AGREEMENT**

**1. PROFESSIONAL SERVICES**

**1.1 Scope of Services**

In compliance with all terms and conditions of this Agreement, Contractor shall provide those services specified in the Scope of Services, attached hereto as Exhibit “A”, which includes by reference and by addendum any amendments, addendums, change orders, or modifications mutually agreed upon by the parties hereto (“Services” or “Work”). Contractor warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Contractor represents and warrants that he/she possesses a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In the event of any inconsistency between the terms contained in the Scope of Services, and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement and then the Scope of Services shall govern, in that order.

## **1.2 Compliance with Law**

All Services rendered hereunder shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or local governmental agency of competent jurisdiction.

## **1.3 Licenses and Permits**

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement.

## **1.4 Familiarity with Work**

By executing this Agreement, Contractor warrants that he/she (a) has thoroughly investigated and considered the Work to be performed, (b) has carefully considered how the Work should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the Work under this Agreement.

## **1.5 Care of Work**

Contractor shall adopt and follow reasonable procedures and methods during the term of the Agreement to prevent loss or damage to materials, papers or other components of the Work, and shall be responsible for all such damage until acceptance of the work by OCFA, except such loss or damages as may be caused by OCFA's own negligence.

## **1.6 Additional Services**

Contractor shall perform services in addition to those specified in the Scope of Services when directed to do so in writing by the OCFA Purchasing Manager, provided that Contractor shall not be required to perform any additional services without compensation. Any additional compensation not exceeding fifteen percent (15%) of the agreement amount must be approved in writing by the OCFA Purchasing Manager. Any greater increase must be approved in writing by the Executive Committee of the OCFA Board of Directors.

## **2. TIME FOR COMPLETION**

The time for completion of the Services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the Work of this Agreement according to the schedules set forth in the Scope of Services. Contractor shall not be accountable for delays in the progress of its Work caused by any condition beyond its control and without the fault or negligence of Contractor. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

### **3. COMPENSATION OF CONTRACTOR**

#### **3.1 Compensation of Contractor**

For the Services rendered pursuant to this Agreement, Contractor shall be compensated and reimbursed, in accordance with the pricing set forth in the Scope of Services (Exhibit "A") in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000).

#### **3.2 Method of Payment**

In any month in which Contractor wishes to receive payment, he/she shall no later than the first working day of such month, submit to OCFA in the form approved by OCFA's Finance Manager, an invoice for Services rendered prior to the date of the invoice. OCFA shall pay Contractor for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Contractor's invoice.

#### **3.3 Changes**

In the event any change or changes in the work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

#### **3.4 Appropriations**

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

## **4. PERFORMANCE SCHEDULE**

### **4.1 Time of Essence**

Time is of the essence in the performance of this Agreement.

### **4.2 Schedule of Performance**

All Services rendered pursuant to this Agreement shall be performed within the time periods prescribed in the Scope of Services (Exhibit "A"). The extension of any time period specified in Exhibit "A" must be approved in writing by the Contract Officer.

### **4.3 Force Majeure**

The time for performance of Services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Contractor shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

### **4.4 Term**

This Agreement shall continue in full force and effect through December 31, 2024 ("Initial Term"), except as may be extended at the sole discretion of OCFA, and unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement.

## **5. COORDINATION OF WORK**

### **5.1 [Reserved]**

### **5.2 Contract Officer**

The Primary Contract Officer shall be Tim Perkins, Assistant Chief, and the Secondary Contract Officer shall be Brian Fennessy, Fire Chief, unless otherwise designated in writing by OCFA. It shall be the Contractor's responsibility to keep the Contract Officer fully informed of the progress of the performance of the Services and Contractor shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

### **5.3 Prohibition Against Subcontracting or Assignment**

**5.3.1 No Subcontracting Without Prior Approval.** The experience, knowledge, capability and reputation of the Contractor were a substantial inducement for OCFA to enter into this Agreement. Therefore, Contractor shall not contract with any other individual or entity to perform in whole or in part the Services required hereunder.

### **5.4 Independent Contractor**

**5.4.1** The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor, an OCFA employee. During the performance of this Agreement, Contractor shall act in an independent capacity and shall not act as an OCFA officer or employee. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Neither OCFA nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Contractor, except as set forth in this Agreement. Contractor, shall not maintain a permanent office or fixed business location at OCFA's offices. OCFA shall not in any way or for any purpose be deemed to be a partner of Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

**5.4.2** Contractor shall not incur or have the power to incur any debt, obligation, or liability against OCFA, or bind OCFA in any manner.

**5.4.3** No OCFA benefits shall be available to Contractor in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Contractor as provided for in this Agreement, OCFA shall not pay salaries, wages, or other compensation to Contractor for the performance of any Work or Services under this Agreement. OCFA shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing any Work or Services hereunder.

### **5.6 Employee Retirement System Eligibility Indemnification**

#### **5.6.1 [Reserved]**

**5.6.2** Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by OCFA, including but not limited to eligibility to enroll in any employee retirement system as an employee of OCFA and entitlement to any contribution to be paid by OCFA for employer contribution and/or employee contributions for employee retirement system benefits.

## **6. INSURANCE AND INDEMNIFICATION**

**6.1 Compliance with Insurance Requirements.** Contractor shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to OCFA, all insurance required under this section. Contractor shall not commence any Services under this Agreement unless and until it has provided evidence satisfactory to OCFA that it has secured all insurance required under this section. If Contractor's existing insurance policies do not meet the insurance requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to meet all requirements herein.

**6.2 Types of Insurance Required.** Without limiting the indemnity provisions set forth in this Agreement, Contractor shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

**6.2.1 Professional Liability/Technology Errors and Omissions Insurance ("PLI").** Contractor shall obtain and maintain PLI insurance applicable to each licensed profession practiced by Contractor. Contractor shall maintain PLI insurance with per-claim and aggregate limits no lower than one million dollars (\$1,000,000.00) each occurrence and two million dollars (\$2,000,000.00) aggregate. Covered professional services shall specifically include all Services to be performed under the Agreement and the policy shall be endorsed to delete any exclusions that may exclude coverage for claims within the minimum PLI Limits for the Services to be performed under this Agreement.

**6.2.1.1** The PLI policy shall be endorsed to delete any Contractual Liability Exclusion. The PLI shall include contractual liability coverage applicable to this Agreement. The policy must "pay on behalf of" the insured, and include a provision establishing the insurer's duty to defend the insured.

**6.2.1.2** If the PLI policy of insurance is written on a "claims-made" basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of all Services provided hereunder (the "PLI Coverage Period"). If any PLI policy is replaced, cancelled, non-renewed, discontinued, or otherwise terminated, or if the limits of a PLI policy are reduced or the available coverage depleted below the required minimum coverage amounts for any reason during the PLI Coverage Period, ATGS shall immediately obtain replacement PLI coverage meeting the requirements of this Section 6.2.1. Such replacement coverage shall satisfy all requirements herein, and shall include coverage for the prior acts or omissions of ATGS during the time period during which any Services were performed. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the OCFA.



**6.2.1.3** If the PLI policy is written on an “occurrence” basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the PLI policy during this period, new coverage shall immediately be obtained, and written evidence of the policy shall be immediately provided to OCFA, to ensure PLI coverage during the entire course of performing the Services.

**6.2.1.4** Contractor shall not perform any Services at any time during which required types or amounts of PLI insurance are not in effect, and OCFA shall have no obligation to pay Contractor for Services performed while required PLI insurance is not in effect.

**6.2.2 Automobile Liability Insurance.** Contractor shall maintain, in full force and effect throughout the term of this Agreement, a policy of personal Automobile liability insurance in compliance with all statutory requirements applicable in the State of California.

**6.3 Acceptability of Insurers.** Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)), by the latest edition of A.M. Best’s Key Rating Guide, except that the OCFA will accept workers’ compensation insurance from the State Compensation Fund. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

**6.3.1** Contractor shall immediately replace any insurer whose A.M. Best rating drops below the levels specified herein with an insurer that meets the minimum requirements herein.

**6.4 Specific Insurance Provisions and Endorsements.** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Contractor to add the following provisions to the insurance policies:

**6.4.1 [Reserved]**

**6.4.2 Notice of Cancellation:** Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice has been provided to the OCFA. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Contractor’s failure to pay the insurance

premium, the notice provided by the insurer to OCFA shall be by not less than ten (10) days prior written notice. (A statement that notice will be provided "in accordance with the policy terms" or words to that effect is inadequate to meet the requirements of this Section).

**6.4.2.1 Pre-Payment of Policy Premium.** If for any reason an insurer declines to issue an endorsement certifying that it will notify OCFA in accordance with section 6.4.2, Contractor shall either obtain insurance from another insurer who will provide the required notice endorsement or shall provide evidence satisfactory to OCFA that the entire policy premium for the full term of that policy has been pre-paid such that the risk of non-payment of premiums during the term of the policy has been eliminated.

**6.4.3 ACORD Forms Will Not Be Accepted in Lieu of Endorsements.** By executing this Agreement, Contractor certifies that it has – prior to execution of this Agreement - confirmed that its insurance company will issue each of the endorsements required by this Agreement. Contractor also certifies that it understands that "ACORD" Certificate of Liability Insurance forms will not be accepted in lieu of required endorsements.

**6.5 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA's sole and absolute discretion.

**6.6 [Reserved]**

**6.7 Evidence of Coverage.** Concurrently with the execution of the Agreement, Contractor shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Contractor by this Section 6. Contractor shall promptly furnish, at OCFA's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

**6.7.1** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval.

**6.7.2 Authorized Signatures.** The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

**6.7.3 Renewal/Replacement Policies.** At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as

to avoid a lapse in the required coverage, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies meeting all requirements of this Agreement.

**6.8 Requirements Not Limiting.** Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Contractor may be held responsible for losses of any type or amount.

**6.9 Enforcement of Agreement (Non-Estoppel).** Contractor acknowledges and agrees that actual or alleged failure on the part of the OCFA to inform Contractor of any non-compliance with any of the insurance requirements set forth in this Agreement imposes no additional obligation on the OCFA nor does it waive any rights hereunder.

**6.10 [Reserved]**

**6.11 Other Insurance Requirements.** The following terms and conditions shall apply to the insurance policies required of Contractor pursuant to this Agreement:

**6.11.1** Contractor shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or non-renewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.

**6.11.2** All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

**6.11.3** None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the OCFA and approved in writing.

**6.11.4** Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may

delay the Project. It is Contractor's obligation to ensure timely compliance with all insurance submittal requirements as provided herein and Contractor agrees to reimburse OCFA for any losses resulting from its failure to timely comply with the requirements of this Agreement.

#### **6.11.5 [Reserved]**

**6.11.6** Contractor agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

### **7. RECORDS AND REPORTS**

#### **7.1 Reports**

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

#### **7.2 Records**

Contractor shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and enable the Contract Officer to evaluate the performance of such Services. Except as provided in Section 7.5, the Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

#### **7.3 Ownership of Documents**

Except as provided in Section 7.5, all drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of this Agreement shall be the property of OCFA and shall be delivered to OCFA upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by OCFA of its full rights or ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein.

#### **7.4 Release of Documents**

All drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of Services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

#### **7.5 Confidential Materials**

Notwithstanding anything to the contrary in this Agreement, the Contractor shall be the sole owner of Contractor's work papers and of any other documents, data or information which are required to be maintained confidential from OCFA by one or more rules of professional conduct governing the Contractor's profession(s) (collectively, the "Confidential Materials"). Neither the OCFA nor the Contract Officer shall have access to the Confidential Materials except as may otherwise be required by order issued by a court of competent jurisdiction.

### **8. ENFORCEMENT OF AGREEMENT**

#### **8.1 California Law**

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

#### **8.2 Waiver**

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of OCFA shall be deemed to waiver or render unnecessary OCFA's consent to or approval of any subsequent act of Contractor. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

#### **8.3 Rights and Remedies are Cumulative**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

#### **8.4 Legal Action**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

#### **8.5 Termination Prior to Expiration of Term**

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Contractor, except that where termination is due to the fault of the Contractor and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Contractor shall immediately cease all Services hereunder except such as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all Services rendered prior to receipt of the notice of termination and for any Services authorized by the Contract Officer thereafter.

Contractor may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

#### **8.6 Termination for Default of Contractor**

[Reserved]

#### **8.7 Attorneys' Fees**

[Reserved]

### **9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

#### **9.1 Non-Liability of OCFA Officers and Employees**

No officer or employee of OCFA shall be personally liable to the Contractor, or any successor-in-interest, in the event of any default or breach by OCFA or for any amount which may become due to the Contractor or its successor, or for breach of any obligation of the terms of this Agreement.

#### **9.2 Covenant Against Discrimination**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any

person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry.

## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Confidentiality**

Information obtained by Contractor in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Contractor for any purpose other than the performance of this Agreement without the written consent of OCFA.

### **10.2 Notice**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

Orange County Fire Authority  
Attention: Sara Kennedy  
1 Fire Authority Road  
Irvine, CA 92602

**WITH COPY TO:**  
David E. Kendig, General Counsel  
Woodruff, Spradlin & Smart  
555 Anton Blvd. Suite 1200  
Costa Mesa, CA 92626

To Contractor:

Scott Jones  
1867 Virazon Drive  
La Habra, CA 90631

### **10.2 Integrated Agreement**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

### **10.3 Amendment**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

### **10.4 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences,

clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

**10.5 Corporate Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

**“OCFA”**

**ORANGE COUNTY FIRE AUTHORITY**

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

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

Sara Kennedy, CPPB  
Purchasing Manager

**APPROVED AS TO FORM.**

**ATTEST:**

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

David E. Kendig  
General Counsel

\_\_\_\_\_

Maria D. Huizar  
Clerk of the Board

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

**“CONTRACTOR”**

**SCOTT JONES**

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

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

Scott Jones



EXHIBIT "A"  
**Scope of Services**

**A1. Program Manager Position**

**A1.1 Position Overview**

Contractor will be considered a Quick Reaction Force (QRF) Program Manager and provide on-demand 24/7 support. Contractor will serve as the primary point of contact for all movement of QRF aircraft, including initial attack dispatches, pre-positioning and diverts.

**A.2 Services**

**A2.1 Primary Duties**

- a) Coordinate with agencies such as Cal OES, Northern California Geographic Coordination Center (ONCC), and Southern California Geographic Coordination Center (OSCC) to establish and set mission priorities.
- b) Track and maintain status, availability and/or any limitations of personnel and aircraft.
- c) Serve as liaison between OCFA and the many distinct elements involved in the delivery and use of all QRF products.
- d) Coordinate with end users (agencies, departments, and incidents) to ensure their needs are being met.

**A2.1 Additional Services**

As requested by OCFA, Contractor shall make presentations, attend meetings, and provide briefings on program-specific information.

**A2.2 Schedules**

**A2.2.1 Daily Duties.** The daily duties will be coordinated through the Primary or Secondary Contract Officer.

**A2.2.2 QRF Program.** Contractor services will be utilized in the QRF program, which operates primarily from Southern California, but may operate anywhere in within the State of California. The operation will provide twenty-four (24) hour availability. Contractor will primarily provide services from a remote location. The location must provide for connectivity with phone and internet access. Contractor may be required to be available at a work site identified at the request of OCFA.

### **A3. Compensation**

#### **A3.1 Hourly Rate**

**A3.1.1 Standard Duties.** The hourly rate for the standard duties is \$166 and includes, but is not limited to, all staffing coordination activities, Program Manager duties, support services, informal training provided during the shift, formal training, and full day support for additional services as requested by OCFA. Contractor is responsible for travel to and from the work location, food, and lodging.

**A3.1.2 Additional Services.** The rate for additional services including, but not limited to, remote oversight of aviation platforms, and attendance at meetings, presentations, and other similar events will be charged at one hundred sixty-six dollars (\$166) per hour.

**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between the Orange County Fire Authority, a public agency, hereinafter referred to as “OCFA”, and Perimeter Solutions LP, hereinafter referred to as “Firm”. OCFA and Firm are sometimes individually referred to herein as a “Party” and collectively as the “Parties”.

**RECITALS**

WHEREAS, OCFA requires the services of a qualified firm to provide mobile retardant base services, hereinafter referred to as “Project”; and

WHEREAS, Firm has submitted to OCFA a proposal, incorporated herein by this reference (“Proposal”); and

WHEREAS, based on its experience and reputation, Firm is qualified to provide the necessary services for the Project and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Firm for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby employ Firm and Firm agrees to provide professional services as follows:

**AGREEMENT**

**1. PROFESSIONAL SERVICES**

**1.1 Scope of Services**

In compliance with all terms and conditions of this Agreement, Firm shall provide those services specified in the Scope of Services, attached hereto as Exhibit “A”, which includes by reference and by addendum: (1) Firm’s Proposal, and (2) any amendments, addendums, change orders, or modifications mutually agreed upon by the parties hereto (“Services” or “Work”). Firm warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Firm represents and warrants that it and all employees, subconsultants and subcontractors providing any Services pursuant to this Agreement shall have a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In

the event of any inconsistency between the terms contained in the Scope of Services, and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement and then the Scope of Services shall govern, in that order.

## **1.2 Compliance with Law**

All Services rendered hereunder shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or local governmental agency of competent jurisdiction.

## **1.3 Licenses and Permits**

Firm shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement.

## **1.4 Familiarity with Work**

By executing this Agreement, Firm warrants that Firm (a) has thoroughly investigated and considered the Work to be performed, (b) has investigated the site of the Work and become fully acquainted with the conditions there existing, (c) has carefully considered how the Work should be performed, and (d) fully understands the facilities, difficulties and restrictions attending performance of the Work under this Agreement. Should the Firm discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by OCFA, Firm shall immediately inform OCFA of such fact and shall not proceed with any Work except at Firm's risk until written instructions are received from the Contract Officer.

## **1.5 Care of Work**

Firm shall adopt and follow reasonable procedures and methods during the term of the Agreement to prevent loss or damage to materials, papers or other components of the work, and shall be responsible for all such damage until acceptance of the work by OCFA, except such loss or damages as may be caused by OCFA's own negligence.

## **1.6 Additional Services**

Firm shall perform services in addition to those specified in the Scope of Services when directed to do so in writing by the OCFA Purchasing Manager, provided that Firm shall not be required to perform any additional services without compensation. Any additional compensation not exceeding fifteen percent (15%) of the agreement amount must be approved in writing by the OCFA Purchasing Manager. Any greater

increase must be approved in writing by the Executive Committee of the OCFA Board of Directors.

## **2. TIME FOR COMPLETION**

The time for completion of the Services to be performed by Firm is an essential condition of this Agreement. Firm shall prosecute regularly and diligently the work of this Agreement according to the schedules set forth in Firm's proposal. Firm shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Firm. Delays shall not entitle Firm to any additional compensation regardless of the party responsible for the delay.

## **3. COMPENSATION OF FIRM**

### **3.1 Compensation of Firm**

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed per the Scope of Work, attached hereto as Exhibit "A".

### **3.2 Method of Payment**

In any month in which Firm wishes to receive payment, Firm shall no later than the first working day of such month, submit to OCFA in the form approved by OCFA's Director of Finance, an invoice for Services rendered prior to the date of the invoice. OCFA shall pay Firm for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Firm's invoice.

### **3.3 Changes**

In the event any change or changes in the work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Firm's profession.

### **3.4 Appropriations**

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

## **4. PERFORMANCE SCHEDULE**

### **4.1 Time of Essence**

Time is of the essence in the performance of this Agreement.

### **4.2 Schedule of Performance**

All Services rendered pursuant to this Agreement shall be performed within the time periods prescribed in Firm's Proposal, attached hereto as Exhibit "A". The extension of any time period specified in Exhibit "A" must be approved in writing by the Contract Officer.

### **4.3 Force Majeure**

The time for performance of Services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Firm, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Firm shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

### **4.4 Term**

This Agreement shall continue in full force and effect during the period from July 1, 2024 through December 31, 2024 unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement.

## **5. COORDINATION OF WORK**

### **5.1 Representative of Firm**

The following principal of the Firm is hereby designated as being the principal and representative of Firm authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith: \_\_\_\_\_

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal is a substantial inducement for OCFA to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Firm and devoting sufficient time to personally supervise the Services hereunder. The foregoing principal may not be changed by Firm without the express written approval of OCFA.

### **5.2 Contract Officer**

The Contract Officer shall be Tim Perkins, Assistant Chief, unless otherwise designated in writing by OCFA. It shall be the Firm's responsibility to keep the Contract Officer fully informed of the progress of the performance of the Services and Firm shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

### **5.3 Prohibition Against Subcontracting or Assignment**

**5.3.1 No Subcontracting Without Prior Approval.** The experience, knowledge, capability and reputation of Firm, its principals and employees, and the Firm Representative were a substantial inducement for OCFA to enter into this Agreement. Therefore, other than Firm's customary use of HRC personnel, Firm shall not contract with any other entity to perform in whole or in part the Services required hereunder without the express written approval of OCFA.

**5.3.2 Provisions in the Event Subcontractor(s) Are Authorized.** If Firm is authorized to subcontract any part of the Services as provided in Section 5.3.1, Firm shall be responsible to OCFA for the acts and omissions of its subcontractor(s) and subconsultant(s) in the same manner as it is for persons directly employed. For purposes of this Agreement, all persons engaged in the performance of Services will be considered employees of Firm. OCFA will deal directly with and will make all payments to Firm. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and OCFA. Firm shall ensure that all subcontractor insurance requirements set forth in Section 6 below (including its

subsections) are complied with prior to commencement of Services by each subcontractor.

**5.3.2.1 Withholding Payment for Non-Authorized Subcontractors.** OCFA shall have the right to withhold payment from Firm for Services performed by any subcontractor or subconsultant performing Services but not authorized in writing by OCFA, or regarding which the insurance or other requirements under this Agreement have not been satisfied.

**5.3.3 Assignments.** Neither this Agreement nor any interest herein may be assigned, transferred, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of OCFA. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Firm, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Firm or any surety of Firm from any liability hereunder without the express written consent of OCFA.

#### **5.4 Independent Contractor**

**5.4.1** The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor, or any of its personnel, an OCFA employee. During the performance of this Agreement, Firm and its officers, employees, and agents shall act in an independent capacity and shall not act as OCFA officers or employees. Firm will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Firm shall at all times be under Firm's exclusive direction and control. Neither OCFA nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Firm or any of its officers, employees, or agents, except as set forth in this Agreement. Firm, its officers, employees or agents, shall not maintain a permanent office or fixed business location at OCFA's offices. OCFA shall have no voice in the selection, discharge, supervision, or control of Firm's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Firm shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. OCFA shall not in any way or for any purpose be deemed to be a partner of Firm in its business or otherwise a joint venturer or a member of any joint enterprise with Firm.



**5.4.2** Firm shall not incur or have the power to incur any debt, obligation, or liability against OCFA, or bind OCFA in any manner.

**5.4.3** No OCFA benefits shall be available to Firm, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Firm as provided for in this Agreement, OCFA shall not pay salaries, wages, or other compensation to Firm for the performance of any Work or Services under this Agreement. OCFA shall not be liable for compensation or indemnification to Firm, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the OCFA has financial obligations, other than pursuant to Section 2 herein, of any nature relating to salary, taxes, or benefits of Firm's officers, employees, representatives, agents, or subconsultants or subcontractors, Firm shall defend, indemnify, and hold harmless OCFA from and against all such financial obligations.

## **5.6 Employee Retirement System Eligibility Indemnification**

**5.6.1** In the event that Firm or any employee, agent, or subcontractor of Firm providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction to be eligible for enrollment in an employee retirement system as an employee of the OCFA, Firm shall indemnify, defend, and hold harmless OCFA against: (1) all such claim(s) and determination(s); (2) for the payment of any employee and/or employer contributions for employee retirement system benefits on behalf of Firm or its employees, agents or subcontractors; and (3) the payment of any penalties and interest on such contributions which would otherwise be the responsibility of the OCFA.

**5.6.2** Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by OCFA, including but not limited to eligibility to enroll in an employee retirement system as an employee of OCFA and entitlement to any contribution to be paid by OCFA for employer contribution and/or employee contributions for employee retirement system benefits.

## **6. INSURANCE AND INDEMNIFICATION**

**6.1 Compliance with Insurance Requirements.** Firm shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to OCFA, all insurance required under this section. Firm shall not commence any Services under this Agreement unless and until it has provided evidence satisfactory to OCFA that it has secured all insurance

required under this section. If Firm's existing insurance policies do not meet the insurance requirements set forth herein, Firm agrees to amend, supplement or endorse the policies to meet all requirements herein.

**6.2 Types of Insurance Required.** Without limiting the indemnity provisions set forth in this Agreement, Firm shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

**6.2.1 Omitted**

**6.2.2 Commercial General Liability Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "claims made" basis, including property damage, bodily injury and personal & advertising injury with limits no less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. If a general aggregate limit applies, the general aggregate limit shall be no less than two million dollars (\$2,000,000.00). Coverage for products and completed operations is required with limits no less than two million dollars (\$2,000,000.00) aggregate. Firm shall maintain CGL insurance with per-claim, aggregate and products and operations completed limits no lower than the minimum CGL coverage limits set forth above. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for any of the following: (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) any other exclusion contrary to this Agreement.

For any coverage that is provided on a claims-made coverage form (which type of form is permitted only where specified in the insurance requirements outlined above): (i) The retroactive date must be shown, and must be before the date of this Agreement, and before the beginning of any Services related to this Agreement, (ii) Insurance must be maintained and Certificates of Insurance must be provided to OCFA for at least three (3) years after expiration of this Agreement; (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement or the start of any Services related to this Agreement, Firm must purchase an extended reporting period for a minimum of three (3) years after expiration of the Agreement; and (iv) If requested by OCFA, a copy of the policy's claims reporting requirement must be submitted to the OCFA for review.

**6.2.3 Automobile Liability Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile liability insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury, disease and

property damage. Defense costs shall be paid in addition to the policy limits. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles, and be endorsed to eliminate any exclusion applicable to any of them.

**6.2.4 Workers' Compensation Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance with limits no less than one million dollars (\$1,000,000.00), and in compliance with all other statutory requirements applicable in the State of California. Firm hereby waives on its own behalf, and shall obtain an endorsement from its workers' compensation insurer waiving on the insurance company's behalf, all rights of subrogation against the OCFA, its board members, officials, officers, employees, agents and volunteers.

**6.2.4.1** If subconsultants or subcontractors are used, Firm shall require each of its subconsultants and subcontractors, if any, to waive all rights of subrogation, and to obtain endorsements from the subconsultants'/subcontractors' workers' compensation insurers waiving all rights of subrogation, against the OCFA, its board members, officials, officers, employees, agents and volunteers.

**6.2.4.2** Firm and each of its subconsultants and subcontractors shall also maintain, in full force and effect throughout the term of this Agreement, Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00) per injury or illness.

**6.2.5 Pollution Liability.** Firm shall provide pollution liability coverage that includes, but is not limited to, the coverage limits and coverage provisions outlined below. Coverage must be included for bodily injury and property damage, including coverage for loss of use and diminution in property value, and for resultant clean-up costs, arising out of the or resulting from: (i) any Services performed under this Agreement, including (ii) any storage or transportation, including the loading or unloading of, hazardous wastes, hazardous materials, or contaminants. The required coverage limits shall be the greater of the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, including applicable Umbrella or Excess Limits, or the following: \$1,000,000 per occurrence or claim, and \$1,000,000 aggregate. Coverage may be written on a claims-made form. If coverage is on a claims-made basis, the coverage must be maintained for at least 3 years after all Services performed under this Agreement are complete, and additional claims-made coverage requirements apply as described below. The policy(ies) shall also contain or be endorsed to contain a provision that coverage shall apply on a primary and noncontributory basis to OCFA before OCFA's own primary insurance or self-insurance shall be called upon to protect it as a Named Insured. A severability of interests provision must apply for all the additional insureds, ensuring that Firm's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability.

**6.3 Acceptability of Insurers.** Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)), by the latest edition of A.M. Best's Key Rating Guide, except that the OCFA will accept workers' compensation insurance from the State Compensation Fund. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Firm agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

**6.3.1** Firm shall immediately replace any insurer whose A.M. Best rating drops below the levels specified herein with an insurer that meets the minimum requirements herein.

**6.4 Specific Insurance Provisions and Endorsements.** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Firm shall provide endorsements on forms approved by the OCFA to add the following provisions to the insurance policies:

**6.4.1 CGL, Auto and Pollution Liability Endorsements.** The policy or policies of insurance required by this Agreement for CGL, Automobile and Pollution Liability Insurance shall be endorsed as follows:

**6.4.1.1 Additional Insured:** The OCFA, its board members, officials, officers, employees, agents and volunteers, shall be additional insureds; and

**6.4.1.1.1 Additional Insured Endorsements:** Additional insured endorsements shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Firm, (4) contain any other exclusions contrary to the Agreement; or (5) contain special limitations on the scope of protection afforded to additional insureds.

**6.4.1.2 Primary, Non-Contributing.** Each CGL and Auto Liability insurance policy shall be endorsed to be primary and any other insurance, deductible, or self-insurance maintained by the OCFA, its board members, officials, officers, employees, agents or volunteers, shall not contribute with the primary insurance.

**6.4.2 Notice of Cancellation:** Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice has been provided to the OCFA. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Firm's failure to pay the insurance premium, the notice provided by the insurer to OCFA shall be by not less than ten (10) days prior written notice. (A statement that notice will be provided "in accordance with the policy terms" or words to that effect is inadequate to meet the requirements of this Section).

**6.4.2.1 Pre-Payment of Policy Premium.** If for any reason an insurer declines to issue an endorsement certifying that it will notify OCFA in accordance with section 6.4.2, Firm shall either obtain insurance from another insurer who will provide the required notice endorsement or shall provide evidence satisfactory to OCFA that the entire policy premium for the full term of that policy has been pre-paid such that the risk of non-payment of premiums during the term of the policy has been eliminated.

**6.4.3 ACORD Forms Will Not Be Accepted in Lieu of Endorsements.** By executing this Agreement, Firm certifies that it has – prior to execution of this Agreement - confirmed that its insurance company will issue each of the endorsements required by this Agreement. Firm also certifies that it understands that "ACORD" Certificate of Liability Insurance forms will not be accepted in lieu of required endorsements.

**6.5 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA's sole and absolute discretion. (Firm may request preapproval from OCFA of a deductible or self-insured retention prior to submitting Firm's Proposal). OCFA acknowledges that the Firm is subject to a \$250,000 deductible under its General Liability and Pollution Liability policies.

**6.6 Waiver of Subrogation.** All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the OCFA, its officials, officers, employees, agents and volunteers, or shall specifically allow Firm or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Firm hereby agrees to waive its own right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers.

**6.6.1 Waivers of Subrogation: Subconsultants and Subcontractors.** If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall obtain from each subconsultant and subcontractor, and make available to OCFA upon request, written express waivers by each subconsultant and subcontractor of the right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers, and policy endorsements of each of its subconsultants' and subcontractors' insurance policies waiving any rights of subrogation against the OCFA, its officials, officers, employees, agents and volunteers insurer. All such waivers and endorsements shall be obtained prior to commencement of any Services by each subconsultant or subcontractor.

**6.7 Evidence of Coverage.** Concurrently with the execution of the Agreement, Firm shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Firm by this Section 5. Firm shall promptly furnish, at OCFA's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

**6.7.1** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval.

**6.7.2 Authorized Signatures.** The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

**6.7.3 Renewal/Replacement Policies.** At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Firm shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies meeting all requirements of this Agreement.

**6.8 Requirements Not Limiting.** Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Firm; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or

minimum required limits, which are applicable to a given loss, shall be available to the OCFA. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Firm under this Agreement. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for losses of any type or amount.

**6.9 Enforcement of Agreement (Non-Estoppel).** Firm acknowledges and agrees that actual or alleged failure on the part of the OCFA to inform Firm of any non-compliance with any of the insurance requirements set forth in this Agreement imposes no additional obligation on the OCFA nor does it waive any rights hereunder.

**6.10 Insurance for Subconsultants.** If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall be responsible for causing each approved subconsultant and subcontractor to procure and maintain insurance in the same types and amounts required for Firm, and in full compliance with the insurance requirements set forth in this Agreement, except as otherwise authorized in writing by the Contract Manager.

**6.10.1 Delivery of Evidence of Subcontractor Insurance.** Upon request of OCFA, Firm shall deliver to OCFA all certificates of insurance and endorsements required from subcontractors and subconsultants. (Note: Firm's duty to obtain all required insurance for subcontractors and subconsultants required under this Agreement applies whether or not OCFA requests delivery of evidence of such coverage.)

**6.11 Other Insurance Requirements.** The following terms and conditions shall apply to the insurance policies required of Firm and its subconsultants and subcontractors, if any, pursuant to this Agreement:

**6.11.1** Firm shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or nonrenewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.

**6.11.2** All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

**6.11.3** None of the insurance coverages required herein will be in

compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the OCFA and approved in writing.

**6.11.4** Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay the Project. It is Firm's obligation to ensure timely compliance with all insurance submittal requirements as provided herein and Firm agrees to reimburse OCFA for any losses resulting from its failure, or its subconsultants' or subcontractors' failure, to timely comply with the requirements of this Agreement.

**6.11.5** Firm agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Firm, provide the same minimum insurance coverage required of Firm. Firm agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Firm agrees that upon request, all agreements with, and evidence of insurance from, subconsultants and subcontractors and others engaged in performing any Services will be submitted to the OCFA for review.

**6.11.6** Firm agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

## **6.12 Indemnification.**

To the fullest extent permitted by law, Firm shall defend (at Firm's sole cost and expense with legal counsel reasonably acceptable to OCFA), indemnify and hold the OCFA, its board members, officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Firm, its officers, directors, employees, subconsultants, subcontractors, agents or invitees in connection with performance under this Agreement, or in any manner arising out of, pertaining to, related to, or incident to an alleged breach of this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses.

Notwithstanding the foregoing, and only to the extent that the Services



performed by Firm are subject to California Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Firm.

Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Firm's indemnification obligation or other liability hereunder. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the OCFA, its board members officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused by the sole negligence or willful misconduct of that indemnified party.

## **7. RECORDS AND REPORTS**

### **7.1 Reports**

Firm shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

### **7.2 Records**

Firm shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and upon 72-hours advance notice, enable the Contract Officer to evaluate the performance of such Services for the purpose of compliance with the terms and conditions included in this Agreement. Except as provided in Section 7.5, the Contract Officer shall have full and free access to such books and records, including the right to inspect, copy, audit and make records and transcripts from such records.

### **7.3 Omitted**

### **7.4 Release of Documents**

All drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of Services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

### **7.5 Confidential Materials**

Notwithstanding anything to the contrary in this Agreement, the Firm shall be the sole owner of Firm's work papers and of any other documents, data or information which are required to be maintained confidential from OCFA by one or more rules of

professional conduct governing the Firm's profession(s) (collectively, the "Confidential Materials"). Neither the OCFA nor the Contract Officer shall have access to the Confidential Materials except as may otherwise be required by order issued by a court of competent jurisdiction.

## **8. ENFORCEMENT OF AGREEMENT**

### **8.1 California Law**

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Firm covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

### **8.2 Waiver**

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of a party shall be deemed to waive or render unnecessary such party's consent to or approval of any subsequent act of the other party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

### **8.3 Rights and Remedies are Cumulative**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

### **8.4 Legal Action**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

### **8.5 Termination Prior to Expiration of Term**

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Firm, except that where termination is due to the fault of the Firm and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Firm shall immediately cease all Services hereunder except such as may be specifically approved by the Contract Officer. Firm shall be entitled to compensation for all Services rendered prior to receipt of the notice of termination and for any Services authorized by the Contract Officer thereafter.

Firm may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

#### **8.6 Termination for Default of Firm**

If termination is due to the failure of the Firm to fulfill its obligations under this Agreement, OCFA may take over the work and prosecute the same to completion by contract or otherwise, and the Firm shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the compensation herein stipulated, provided that OCFA shall use reasonable efforts to mitigate damages, and OCFA may withhold any payments to the Firm for the purpose of set-off or partial payment of the amounts owed to OCFA.

#### **8.7 Attorneys' Fees**

If either party commences an action against the other party arising out of or in connection with this Agreement or its subject matter, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party.

### **9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

#### **9.1 Non-Liability of OCFA Officers and Employees**

No officer or employee of OCFA shall be personally liable to the Firm, or any successor-in-interest, in the event of any default or breach by OCFA or for any amount which may become due to the Firm or its successor, or for breach of any obligation of the terms of this Agreement.

#### **9.2 Covenant Against Discrimination**

Firm covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status,

national origin, or ancestry. Firm shall take affirmative action to ensure that applicants and employees are treated without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Confidentiality**

Information obtained by Firm in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Firm for any purpose other than the performance of this Agreement without the written consent of OCFA.

### **10.2 Notice**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

Orange County Fire Authority  
Attention: Sara Kennedy  
1 Fire Authority Road  
Irvine, CA 92602

**WITH COPY TO:**  
David E. Kendig, General Counsel  
Woodruff, Spradlin & Smart  
555 Anton Blvd. Suite 1200  
Costa Mesa, CA 92626

To Firm:

Nori Yokozuka, General Counsel  
8000 Maryland Ave, Suite 350  
Clayton, MO 63105

### **10.2 Integrated Agreement**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

### **10.3 Amendment**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

#### **10.4 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

#### **10.5 Corporate Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

**“OCFA”  
ORANGE COUNTY FIRE AUTHORITY**

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

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

Sara Kennedy, CPPB  
Purchasing Manager

**APPROVED AS TO FORM.**

**ATTEST:**

By: \_\_\_\_\_  
David E. Kendig  
General Counsel

\_\_\_\_\_  
Maria D. Huizar  
Clerk of the Board

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

**“FIRM”  
PERIMETER SOLUTIONS LP**

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

By: \_\_\_\_\_  
Name:  
Title:

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

By: \_\_\_\_\_  
Nori Yokozuka  
General Counsel

**EXHIBIT “A”**  
**Scope of Services to be Provided**

**A.1 CONTRACT PERIOD**

July 1, 2024 through December 31, 2024.

**A.2 PROJECT DESCRIPTION**

Purpose: To provide applicable equipment, retardant product, and personnel to support daytime and mobile night refilling of fixed-tank helicopters with USFS qualified long-term retardant.

Scope: Orange County Fire Authority (OCFA) has requested Perimeter Solutions to provide applicable equipment and USFS qualified long-term retardant during 2023 to support 2 CH-46 & 1 S-61 aircraft as needed. Perimeter Solutions will provide equipment for mixing and delivery of fire retardant into aircraft between the hours of 8am and 8pm with potential additional hours or extended night operations. Exact response times are based on ordering time, location, and fire congested area logistics.

Items to be provided by Perimeter Solutions based on response time:

- Mobile Retardant Helicopter Base dedicated for MAP (mandatory availability period)
- PHOS-CHEK 259-Fx USFS Qualified Product List (QPL) fixed tank helicopter approved
- Equipment, Freight & Labor (5 personnel) to support up to 90,000 gallons per 12-hour operational period.

Operational Requirements Provided by Orange County:

- Must have pre-designated area large enough to allow safe accessibility and operations of heavy equipment. (ex. A Football field).
- Water at a minimum rate of 350+ Gallons per Minute (GPM) to the MRB. This may include providing water from: water tenders, pressurized source or, drafting source.
- The MRB site will be at least 300 feet from any waterway, including seasonal lakes or streams, if water is present
- Any mixed or residual retardant is deemed the property of acting Agency, the Agency will work with Perimeter Solutions for effective use or relocation of mixed product.

**A.3 PRICING**

Firm will provide a mobile retardant base in the manner and at the rates as specified in the proposal and detailed in the table below. The daily standby rate includes availability of the Firm from the period of 0800 – 2000 hours. Operations after this period will be subject to overtime rates up to the daily maximum.

<b>Item</b>	<b>Description</b>	<b>Rate</b>
Mobile Retardant Base – Standby	Daily Operating Shift (12-Hr)	\$7,840
Mobile Retardant Base - OT	Hourly (up to a Daily Maximum of \$14,000)	\$2,240
Phos-Chek 259-Fx	Based on the 2023 USFS Price List. Product deemed sold once mixed.	Actual
Transportation for Four Trucks	Estimated \$2,000 one-way per truck	Actual
<b>Additional Options</b>	<b>Description</b>	<b>Rate</b>
Water Tender	Daily Operating Shift (12-Hr)	\$2,000
Fixed Location Dip Tank & Containment Berm – Staffed	Daily Operating Shift (12-Hr)	\$800
Fixed Location Dip Tank & Containment Berm – Unstaffed	Daily Operating Shift (12-Hr)	\$500



**ORANGE COUNTY FIRE AUTHORITY  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ 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 \_\_\_\_\_ (“Contractor”). OCFA and Contractor are sometimes individually referred to herein as a “Party” and collectively as the “Parties”.

**RECITALS**

WHEREAS, OCFA requires the services of a qualified Contractor to provide Air Tactical Group Supervisor services in support of incident goals and objectives, hereinafter referred to as “Project”; and

WHEREAS, Contractor is fully qualified and certified to provide the necessary services for the Project and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Contractor for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby retain Contractor and Contractor agrees to provide professional services as follows:

**AGREEMENT**

**1. PROFESSIONAL SERVICES**

**1.1 Scope of Services**

In compliance with all terms and conditions of this Agreement, Contractor shall provide those services specified in the Scope of Services, attached hereto as Exhibit “A”, which includes by reference and by addendum any amendments, addendums, change orders, or modifications mutually agreed upon by the parties hereto (“Services” or “Work”). Contractor warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Contractor represents and warrants that he/she possesses a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In the event of any inconsistency between the terms contained in the Scope of Services, and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement and then the Scope of Services shall govern, in that order.

## **1.2 Compliance with Law**

All Services rendered hereunder shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or local governmental agency of competent jurisdiction.

## **1.3 Licenses and Permits**

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement.

## **1.4 Familiarity with Work**

By executing this Agreement, Contractor warrants that he/she (a) has thoroughly investigated and considered the Work to be performed, (b) has carefully considered how the Work should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the Work under this Agreement.

## **1.5 Care of Work**

Contractor shall adopt and follow reasonable procedures and methods during the term of the Agreement to prevent loss or damage to materials, papers or other components of the Work, and shall be responsible for all such damage until acceptance of the work by OCFA, except such loss or damages as may be caused by OCFA's own negligence.

## **1.6 Additional Services**

Contractor shall perform services in addition to those specified in the Scope of Services when directed to do so in writing by the OCFA Purchasing Manager, provided that Contractor shall not be required to perform any additional services without compensation. Any additional compensation not exceeding fifteen percent (15%) of the agreement amount must be approved in writing by the OCFA Purchasing Manager. Any greater increase must be approved in writing by the Executive Committee of the OCFA Board of Directors.

## **2. TIME FOR COMPLETION**

The time for completion of the Services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the Work of this Agreement according to the schedules set forth in the Scope of Services. Contractor shall not be accountable for delays in the progress of its Work caused by any condition beyond its control and without the fault or negligence of Contractor. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

### **3. COMPENSATION OF CONTRACTOR**

#### **3.1 Compensation of Contractor**

For the Services rendered pursuant to this Agreement, Contractor shall be compensated and reimbursed, in accordance with the pricing set forth in the Scope of Services (Exhibit "A") in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000).

#### **3.2 Method of Payment**

The Contractor shall invoice OCFA twice a month, the 1st and 16th, for the previous 15 day period. The Contractor shall submit to OCFA in the form approved by OCFA's Finance Manager, an invoice for Services rendered prior to the date of the invoice. OCFA shall pay Contractor for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Contractor's invoice.

#### **3.3 Changes**

In the event any change or changes in the work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

#### **3.4 Appropriations**

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

### **4. PERFORMANCE SCHEDULE**

#### **4.1 Time of Essence**

Time is of the essence in the performance of this Agreement.

#### **4.2 Schedule of Performance**

All Services rendered pursuant to this Agreement shall be performed within the time periods prescribed in the Scope of Services (Exhibit "A"). The extension of any time period specified in Exhibit "A" must be approved in writing by the Contract Officer.

#### **4.3 Force Majeure**

The time for performance of Services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Contractor shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

#### **4.4 Term**

This Agreement shall continue in full force and effect through December 31, 2024 ("Initial Term"), except as may be extended at the sole discretion of OCFA, and unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement.

### **5. COORDINATION OF WORK**

#### **5.1 [Reserved]**

#### **5.2 Contract Officer**

The Primary Contract Officer shall be Tim Perkins, Division Chief – Special Operations, and the Secondary Contract Officer shall be Brian Fennessy, Fire Chief, unless otherwise designated in writing by OCFA. It shall be the Contractor's responsibility to keep the Contract Officer fully informed of the progress of the performance of the Services and Contractor shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

#### **5.3 Prohibition Against Subcontracting or Assignment**

**5.3.1 No Subcontracting Without Prior Approval.** The experience, knowledge, capability and reputation of the Contractor were a substantial inducement for OCFA to enter into this Agreement. Therefore, Contractor shall not

contract with any other individual or entity to perform in whole or in part the Services required hereunder.

#### **5.4 Independent Contractor**

**5.4.1** The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor, an OCFA employee. During the performance of this Agreement, Contractor shall act in an independent capacity and shall not act as an OCFA officer or employee. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Neither OCFA nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Contractor, except as set forth in this Agreement. Contractor, shall not maintain a permanent office or fixed business location at OCFA's offices. OCFA shall not in any way or for any purpose be deemed to be a partner of Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

**5.4.2** Contractor shall not incur or have the power to incur any debt, obligation, or liability against OCFA, or bind OCFA in any manner.

**5.4.3** No OCFA benefits shall be available to Contractor in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Contractor as provided for in this Agreement, OCFA shall not pay salaries, wages, or other compensation to Contractor for the performance of any Work or Services under this Agreement. OCFA shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing any Work or Services hereunder.

#### **5.6 Employee Retirement System Eligibility Indemnification**

##### **5.6.1 [Reserved]**

**5.6.2** Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by OCFA, including but not limited to eligibility to enroll in any employee retirement system as an employee of OCFA and entitlement to any contribution to be paid by OCFA for employer contribution and/or employee contributions for employee retirement system benefits.

### **6. INSURANCE AND INDEMNIFICATION**

**6.1 Compliance with Insurance Requirements.** Contractor shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to OCFA, all insurance

required under this section. Contractor shall not commence any Services under this Agreement unless and until it has provided evidence satisfactory to OCFA that it has secured all insurance required under this section. If Contractor's existing insurance policies do not meet the insurance requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to meet all requirements herein.

**6.2 Types of Insurance Required.** Without limiting the indemnity provisions set forth in this Agreement, Contractor shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

**6.2.1 Professional Liability/Technology Errors and Omissions Insurance ("PLI").** Contractor shall obtain and maintain PLI insurance applicable to each licensed profession practiced by Contractor. Contractor shall maintain PLI insurance with per-claim and aggregate limits no lower than one million dollars (\$1,000,000.00) each occurrence and two million dollars (\$2,000,000.00) aggregate. Covered professional services shall specifically include all Services to be performed under the Agreement and the policy shall be endorsed to delete any exclusions that may exclude coverage for claims within the minimum PLI Limits for the Services to be performed under this Agreement.

**6.2.1.1** The PLI policy shall be endorsed to delete any Contractual Liability Exclusion. The PLI shall include contractual liability coverage applicable to this Agreement. The policy must "pay on behalf of" the insured, and include a provision establishing the insurer's duty to defend the insured.

**6.2.1.2** If the PLI policy of insurance is written on a "claims-made" basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of all Services provided hereunder (the "PLI Coverage Period"). If any PLI policy is replaced, cancelled, non-renewed, discontinued, or otherwise terminated, or if the limits of a PLI policy are reduced or the available coverage depleted below the required minimum coverage amounts for any reason during the PLI Coverage Period, ATGS shall immediately obtain replacement PLI coverage meeting the requirements of this Section 6.2.1. Such replacement coverage shall satisfy all requirements herein, and shall include coverage for the prior acts or omissions of ATGS during the time period during which any Services were performed. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the OCFA.

**6.2.1.3** If the PLI policy is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the PLI policy during this period, new coverage shall immediately

be obtained, and written evidence of the policy shall be immediately provided to OCFA, to ensure PLI coverage during the entire course of performing the Services.

**6.2.1.4** Contractor shall not perform any Services at any time during which required types or amounts of PLI insurance are not in effect, and OCFA shall have no obligation to pay Contractor for Services performed while required PLI insurance is not in effect.

**6.2.2 Automobile Liability Insurance.** Contractor shall maintain, in full force and effect throughout the term of this Agreement, a policy of personal Automobile liability insurance in compliance with all statutory requirements applicable in the State of California.

**6.3 Acceptability of Insurers.** Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)), by the latest edition of A.M. Best's Key Rating Guide, except that the OCFA will accept workers' compensation insurance from the State Compensation Fund. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

**6.3.1** Contractor shall immediately replace any insurer whose A.M. Best rating drops below the levels specified herein with an insurer that meets the minimum requirements herein.

**6.4 Specific Insurance Provisions and Endorsements.** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms approved by the Contractor to add the following provisions to the insurance policies:

**6.4.1 [Reserved]**

**6.4.2 Notice of Cancellation:** Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice has been provided to the OCFA. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Contractor's failure to pay the insurance premium, the notice provided by the insurer to OCFA shall be by not less than ten (10) days prior written notice. (A statement that notice will be provided "in accordance with the policy terms" or words to that effect is inadequate to meet the requirements of this Section).

**6.4.2.1 Pre-Payment of Policy Premium.** If for any reason an insurer declines to issue an endorsement certifying that it will notify OCFA in accordance with section 6.4.2, Contractor shall either obtain insurance from another insurer who will provide the required notice endorsement or shall provide evidence satisfactory to OCFA that the entire policy premium for the full term of that policy has been pre-paid such that the risk of non-payment of premiums during the term of the policy has been eliminated.

**6.4.3 ACORD Forms Will Not Be Accepted in Lieu of Endorsements.** By executing this Agreement, Contractor certifies that it has – prior to execution of this Agreement - confirmed that its insurance company will issue each of the endorsements required by this Agreement. Contractor also certifies that it understands that "ACORD" Certificate of Liability Insurance forms will not be accepted in lieu of required endorsements.

**6.5 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA's sole and absolute discretion.

**6.6 [Reserved]**

**6.7 Evidence of Coverage.** Concurrently with the execution of the Agreement, Contractor shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Contractor by this Section 6. Contractor shall promptly furnish, at OCFA's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

**6.7.1** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval.

**6.7.2 Authorized Signatures.** The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

**6.7.3 Renewal/Replacement Policies.** At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has



been provided through another insurance company or companies meeting all requirements of this Agreement.

**6.8 Requirements Not Limiting.** Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Contractor may be held responsible for losses of any type or amount.

**6.9 Enforcement of Agreement (Non-Estoppel).** Contractor acknowledges and agrees that actual or alleged failure on the part of the OCFA to inform Contractor of any non-compliance with any of the insurance requirements set forth in this Agreement imposes no additional obligation on the OCFA nor does it waive any rights hereunder.

**6.10 [Reserved]**

**6.11 Other Insurance Requirements.** The following terms and conditions shall apply to the insurance policies required of Contractor pursuant to this Agreement:

**6.11.1** Contractor shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or non-renewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.

**6.11.2** All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

**6.11.3** None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the OCFA and approved in writing.

**6.11.4** Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay the Project. It is Contractor's obligation to ensure timely compliance with all insurance submittal requirements as provided herein and Contractor agrees to reimburse

OCFA for any losses resulting from its failure to timely comply with the requirements of this Agreement.

#### **6.11.5 [Reserved]**

**6.11.6** Contractor agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

### **7. RECORDS AND REPORTS**

#### **7.1 Reports**

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

#### **7.2 Records**

Contractor shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and enable the Contract Officer to evaluate the performance of such Services. Except as provided in Section 7.5, the Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

#### **7.3 Ownership of Documents**

Except as provided in Section 7.5, all drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of this Agreement shall be the property of OCFA and shall be delivered to OCFA upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by OCFA of its full rights or ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein.

#### **7.4 Release of Documents**

All drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of Services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

## **7.5 Confidential Materials**

Notwithstanding anything to the contrary in this Agreement, the Contractor shall be the sole owner of Contractor's work papers and of any other documents, data or information which are required to be maintained confidential from OCFA by one or more rules of professional conduct governing the Contractor's profession(s) (collectively, the "Confidential Materials"). Neither the OCFA nor the Contract Officer shall have access to the Confidential Materials except as may otherwise be required by order issued by a court of competent jurisdiction.

## **8. ENFORCEMENT OF AGREEMENT**

### **8.1 California Law**

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

### **8.2 Waiver**

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of OCFA shall be deemed to waiver or render unnecessary OCFA's consent to or approval of any subsequent act of Contractor. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

### **8.3 Rights and Remedies are Cumulative**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

### **8.4 Legal Action**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

## **8.5 Termination Prior to Expiration of Term**

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Contractor, except that where termination is due to the fault of the Contractor and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Contractor shall immediately cease all Services hereunder except such as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all Services rendered prior to receipt of the notice of termination and for any Services authorized by the Contract Officer thereafter.

Contractor may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

## **8.6 Termination for Default of Contractor**

[Reserved]

## **8.7 Attorneys' Fees**

[Reserved]

# **9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

## **9.1 Non-Liability of OCFA Officers and Employees**

No officer or employee of OCFA shall be personally liable to the Contractor, or any successor-in-interest, in the event of any default or breach by OCFA or for any amount which may become due to the Contractor or its successor, or for breach of any obligation of the terms of this Agreement.

## **9.2 Covenant Against Discrimination**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry.

## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Confidentiality**

Information obtained by Contractor in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Contractor for any purpose other than the performance of this Agreement without the written consent of OCFA.

### **10.2 Notice**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

Orange County Fire Authority  
Attention: Sara Kennedy  
1 Fire Authority Road  
Irvine, CA 92602

**WITH COPY TO:**  
David E. Kendig, General Counsel  
Woodruff, Spradlin & Smart  
555 Anton Blvd. Suite 1200  
Costa Mesa, CA 92626

To Contractor:

Name:  
Attention:  
Address:

### **10.2 Integrated Agreement**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

### **10.3 Amendment**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

### **10.4 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

## **10.5 Corporate Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

**“OCFA”**

**ORANGE COUNTY FIRE AUTHORITY**

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

By: \_\_\_\_\_  
Sara Kennedy, CPPB  
Purchasing Manager

**APPROVED AS TO FORM.**

**ATTEST:**

By: \_\_\_\_\_  
David E. Kendig  
General Counsel

\_\_\_\_\_   
Maria D. Huizar  
Clerk of the Board

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

**“CONTRACTOR”**

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

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

EXHIBIT "A"  
Scope of Services

**A1. Air Tactical Group Supervisor (ATGS) Position**

**A1.1 Position Overview**

**A1.1.1** As described in the "Standards for Aerial Supervision", as published by the National Wildfire Coordinating Group, "The ATGS coordinates incident airspace and manages incident air traffic. The ATGS is an airborne firefighter who coordinates, assigns, and evaluates the use of aerial resources in support of incident objectives. The ATGS is the link between ground personnel and incident aircraft. The ATGS must collaborate with ground personnel to develop and implement tactical and logistical missions on an incident. The ATGS must be proactive in communicating current and expected fire and weather conditions. The ATGS must provide candid feedback regarding the effectiveness of aviation operations and overall progress toward meeting incident objectives. The ATGS must also work with dispatch staff to coordinate the ordering, assignment, and release of incident aircraft in accordance with the needs of fire management and incident command personnel.

**A1.1.2** On Initial Attack (IA) incidents (Type 4 and 5), the ATGS will size up, prioritize, and coordinate the response of aerial and ground resources until a qualified Incident Commander (IC) arrives. On complex incidents (Type 1, 2, or 3), the ATGS will coordinate and prioritize the use of aircraft between several divisions or groups while maintaining communications with operations personnel and aircraft bases (fixed- or rotor-wing).

**A1.1.3** In the Incident Command System (ICS), the ATGS works for the IC on initial attack and the Operations Section Chief (OSC), Air Operations Branch Director, or operational designee on extended attack. The ATGS supervises the Leadplane Pilot (LPIL), Aerial Supervision Module (ASM), and the Helicopter Coordinator (HLCO) positions when activated. The ATGS may operate from an airplane or helicopter.

In the event the ATGS is utilized in an Aerial Supervision position subordinate to the ATGS position, HLCO (Helicopter Coordinator) or AITS (ASM Air Tactical Supervisor) the ATGS will perform those job duties as described in the current NWCG "SAS" (National Wildfire Coordinating Group "Standards for Aerial Supervision").

**A1.2 Position Requirements**

At a minimum, ATGS must possess previously held fire chief officer status and possess and maintain wildland Incident Qualifications and Certification System (IQCS) qualifications for the position of Division Supervisor and/or Air Tactical Group Supervisor.



## **A.2 ATGS Responsibilities**

### **A2.1 Incident Response**

**A2.1.1** The ATGS will respond as part of the aircrew with the aircraft to wildland and all-hazards incidents. The ATGS will perform the duties described above and contained within the “Standards for Aerial Supervision”, as published by the National Wildfire Coordinating Group, in coordination with the Primary or Secondary Contract Officer and/or third parties providing air operations services, as directed by OCFA. The ATGS must be available at the site of the aircraft.

**A2.1.2** The ATGS will provide wildland fire subject matter expertise for pre-attack, initial attack, and extended attack functions. Pre-attack services include evaluation of staffing, familiarization with maps, identification of potential cooperators, and other readiness activities.

**A2.1.3** As delegated by OCFA, the ATGS will ensure day to day contract compliance on assigned aircraft and is responsible for communicating any discrepancies or recommendations to the Primary and/or Secondary Contract Officer.

### **A2.2 Communications**

**A2.2.1** As required by OCFA, the ATGS may serve as the primary point-of-contract (POC) with the OCFA Emergency Command Center for daily status and dispatching to initial attack response.

**A2.2.2** The ATGS is responsible for developing and delivering pre and post incident briefings and After Action Reviews (AAR) for the air crews. Pre-incident briefings may include weather updates, incident status, pending orders, and other information as may be necessary to ensure all crew members required to deploy are able to.

**A2.2.3** The ATGS is responsible for inter cockpit Crew Resource Management (CRM) with OCFA and third party provider crews, as applicable, for the purpose of fostering cohesive team function during the execution of incident objectives.

### **A2.3 Deliverables for IAA Aircraft**

The ATSG will assist with the development of Incident Awareness and Assessment (IAA) deliverables for fire incidents. Deliverables may include maps, files for the Geographic Information Systems section, and infrared video, which will be provided to the incident. The ATSG will ensure the deliverables meet the specifications of what is required by the incident.

## **A2.4 Training**

As requested by OCFA, provide informal and formal National Wildfire Coordinating Group (NWCG) wildland fire instruction. Informal training will be delivered during the course of the daily shift. Formal, classroom-style training will be scheduled and delivered outside the standard shift schedule.

## **A2.5 Schedules**

**A2.5.1 Daily Shift.** The daily shift is twelve (12) hours, and will be coordinated through the Primary or Secondary Contract Officer.

**A2.5.2 Aerial Firefighting Programs.** Contractor services will be utilized in various aerial firefighting programs, which may operate from multiple locations including, but not limited to, the Joint Forces Training Base in Los Alamitos, California, and/or other locations throughout California. Program operations may include a requirement for twelve (12) or twenty-four (24) hour availability. Multiple programs may be in place simultaneously. The ATGS must be available on site at the designated base of operations, or other location as directed, for the duration of the daily shift.

**A2.5.3 Staffing Coordination.** The ATGS is responsible for coordinating all contract aircrew availability to ensure staffing is sufficient to meet the respective daily twelve (12) hour or twenty-four (24) hour availability requirements. The ATGS must communicate schedules and proposed changes to schedules to the Primary or Secondary Contract Officer.

## **A3. Compensation**

### **A3.1 Daily Rate**

**A3.1.1 Standard Shift.** The daily rate for the standard twelve (12) hour shift is \$2,500 and includes, but is not limited to, all staffing coordination activities, ATGS duties, informal training provided during the shift, formal training, and full day support for additional services as requested by OCFA. Contractor is responsible for travel to and from the work location, food, and lodging. Hours worked totaling less than the daily rate will be compensated at one twelfth (1/12) the daily rate at two hundred eight dollars (\$208) per hour.

**A3.1.2 Holdover (Extended Staffing).** In the event that holdover beyond the standard shift is required due to incident activity, services provided in excess of twelve (12) hours will be charged at two hundred eight dollars (\$208) per hour.

# Southern California Edison Service Territory Map



**ORANGE COUNTY FIRE AUTHORITY  
QRF COST REIMBURSEMENT RATES  
EFFECTIVE January 1, 2024**

DESCRIPTION	2023/24 REVISED RATE	2023/24 RATE	2022/23 RATE	\$ CHANGE	% CHANGE	SOURCE	HOURLY/ DAILY
HELITANKER CH-47 (FLIGHT HOURS)	\$10,462.36	\$10,462.36	\$10,462.36	\$0.00	0%	OCFA CONTRACTOR	Hourly
HELITANKER CH-47 (STANDBY)	\$1,016.10	\$1,016.10	\$1,016.10	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
HELICOPTER SIKORSKY S-76 (FLIGHT HOURS)	\$3,969.00	\$3,969.00	\$3,969.00	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
HELICOPTER SIKORSKY S-76 (STANDBY)	\$323.31	\$323.31	\$323.31	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
HELITANKER S-61 (FLIGHT HOURS)	\$6,082.68	\$6,082.68	\$6,082.68	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
HELITANKER S-61 (STANDBY)	\$1,016.10	\$1,016.10	\$1,016.10	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
MOBILE RETARDANT PLANT - OT (1)	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00	\$0.00	OCFA CONTRACTOR	12-Hour Shift (operational period(s) 0800-2000; 2000-0800)
MOBILE RETARDANT PLANT-OT (STANDBY) (1)	\$653.33	\$583.33	\$583.33	\$0.00	\$0.00	OCFA CONTRACTOR	12-Hour Shift (operational period(s) 0800-2000;2000-0800)
WATER TENDER (Perimeter Solutions) (2)	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00	\$0.00	OCFA CONTRACTOR	12-Hour Shift (operational period(s) 0800-2000;2000-0800)
WATER TENDER (Perimeter Solutions - STANDBY) (2)	\$186.67	\$166.67	\$166.67	\$0.00	\$0.00	OCFA CONTRACTOR	12-Hour Shift (operational period(s) 0800-2000;2000-0800)
MOBILE FIRE RETARDANT - PRODUCT (3)	Actual Cost	Actual Cost	Actual Cost	\$0.00	\$0.00	OCFA CONTRACTOR	Per Mixed Gallon
FREIGHT (Perimeter Solutions) (4)	Actual Cost	Actual Cost	Actual Cost	\$0.00	\$0.00	OCFA CONTRACTOR	Location and return to point of origin
LARGE VEHICLE MILEAGE (Fuel Truck, Bus, Service Trailer)	\$4.43	\$4.43	\$4.43	\$0.00	\$0.00	OCFA CONTRACTOR	Per Mile
AIR TACTICAL GROUP SUPERVISORS (ATGS)	\$208.33	\$166.00	\$166.00	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly
PROGRAM MANAGER	\$166.00	\$166.00	\$166.00	\$0.00	\$0.00	OCFA CONTRACTOR	Hourly

Notes:

- (1) \$2,000 per hour (overtime) after initial 12-hr shift (12-hr daily shift paid by Edison), up to maximum of \$14,000/day if extended or if 24-hr operations in a location begins. Contract cycle of 1/1/24 to 12/31/2024 will be charged at the daily operating rate plus overtime or full day rates as utilized.
- (2) Requesting Agency must provide a water tender for Mobile Retardant Plant deployment. Requesting Agency can use an agency water tender or request through vendor.
- (3) Based on 2023/2024 U.S.F.S. FOB Origin Price List of mixed per gallon.
- (4) Based on location, estimated at \$16,000 per incident (\$8,000 per delivery, \$8,000 return of unmixed/unsold product to point of origin).



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Budget and Finance Committee Meeting  
November 8, 2023

Agenda Item No. 3C  
Discussion Calendar

**Prefunding of CIP Projects Policy Review Process -  
Review of CIP Sample Policies and Best Practices**

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**Contact(s) for Further Information**

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**Summary**

This agenda item is provided to the Budget & Finance Committee to continue the review process for the prefunding of Capital Improvement Program (CIP) Projects. At this meeting, staff will provide a review of OCFA Review of CIP Sample Policies and Best Practices.

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

At the February 23, 2023, meeting of the Board of Directors, the Board directed staff to work with the Budget and Finance Committee to consider prefunding of capital improvement projects, with a recommendation to direct staff to return the item to the Board of Directors for future discussion.

At the July 12, 2023, meeting of the Budget and Finance Committee, the Committee approved the review process that will be utilized to educate and inform our policy-makers regarding OCFA's current CIP policies and funding mechanism, best practices, and ultimately to develop options and recommendations for the prefunding of future CIP Projects.

At the September 13, 2023, meeting of the Budget and Finance Committee, the committee received and filed an overview of OCFA's Capital Improvement Program.

At the October 17, 2023, meeting of the Budget and Finance Committee, the committee received and filed the overview of OCFA Operating and CIP Funding Mechanism.

**RECOMMENDED ACTION(S)**

Receive and file a Review of CIP Sample Policies and Best Practices.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

The fiscal impact will be further developed as part of a future CIP Prefunding review process.

**Background**

During the January 18, 2023, Board of Directors Meeting, Director Tetterer requested that an item be agendaized at the following meeting to seek interest from the Board for the development of

a policy to prefund the CIP. At the February 23, 2023, Board of Directors Meeting, Director Tetterer introduced the item titled, “Establish a Policy to Prefund Capital Improvement Program Projects.” Following Board discussion, on motion by Director Tetterer and second by Director Shawver, and following a roll call vote, the OCFA Board approved 24-0 (Director Bourne absent) to direct staff to work with the Budget and Finance Committee to consider prefunding of capital improvement projects, with a recommendation to direct staff to return the item to the Board of Directors for future discussion.

**Review Process: Prefunding of CIP Projects Policy**

The OCFA’s Budget and Finance Committee (B&FC) will be utilized to conduct the Review Process, with delivery of its findings and recommendations to the Board of Directors upon completion. As a result, staff developed the following review process, to educate and inform our policy-makers regarding OCFA’s current CIP policies and funding mechanism, review sample policies and best practices, and ultimately to develop options and recommendations for Board consideration regarding the prefunding of future CIP Projects. The B&FC approved the review process at its July 12, 2023 meeting.

The review process is sequenced in a manner to facilitate a thorough education followed by the review of policy options, and recommendations. The review process and work plan includes:

1. Overview of OCFA’s Capital Improvement Program
2. Review of OCFA Operating and CIP Funding Mechanism
3. Review of CIP Sample Policies and Best Practices
4. Prefunding CIP Options
5. Development of Recommendations for Board Consideration

The B&FC will be provided ample time for completion of this important review and the Committee anticipates that the work plan will require approximately six months or longer to complete.

***Current Months Topic: Review of CIP Sample Policies and Best Practices***

The Committee will review the results of a CIP policy survey conducted on OCFA partner cities/County and other surrounding agencies. Additionally, staff will present best practices gathered from government/finance professional organizations such as the Government Finance Officers Association (GFOA), California Society of Municipal Financial Officers (CSMFO) and other professional organizations. The survey results and best practices will guide the development of options to consider for the prefunding of the CIP.

***Next Month’s Topic: Prefunding CIP Options***

Building on the work completed during the prior review segments, staff will provide options for the Committee to discuss and consider for the development of a CIP prefunding policy.

**Attachment(s)**

None.