



# ORANGE COUNTY FIRE AUTHORITY

## AGENDA

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

**EXECUTIVE COMMITTEE  
REGULAR MEETING  
Thursday, August 25, 2016  
5:30 P.M.**

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

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

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



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

### **CALL TO ORDER**

**INVOCATION** by OCFA Chaplain Jim Gwaltney

**PLEDGE OF ALLEGIANCE** by Director Shawver

### **ROLL CALL**

**1. PRESENTATIONS**

No items.

**REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR**

No report, due to the cancellation of the August meeting.

**PUBLIC COMMENTS**

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

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

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

**2. MINUTES**

**A. Minutes from the July 28, 2016, Regular Executive Committee Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

**3. CONSENT CALENDAR**

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

**A. Monthly Investment Reports**

Submitted by: Tricia Jakubiak, Treasurer

Recommended Action:

Receive and file the reports.

**END OF CONSENT CALENDAR**

**4. DISCUSSION CALENDAR**

No items.

**COMMITTEE MEMBER COMMENTS**

**CLOSED SESSION**

No items.

**ADJOURNMENT** – The next regular meeting of the Executive Committee is scheduled for Thursday, September 22, 2016, at 5:30 p.m.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 18<sup>th</sup> day of August 2016.

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

**UPCOMING MEETINGS:**

Budget and Finance Committee Meeting	Wednesday, September 14, 2016, 12 noon
Board of Directors Special Meeting	Thursday, September 1, 2016, 6:00 p.m.
Claims Settlement Committee Meeting	Thursday, September 22, 2016, 5:00 p.m.
Executive Committee Meeting	Thursday, September 22, 2016, 5:30 p.m.
Board of Directors Meeting	Thursday, September 22, 2016, 6:00 p.m.

# MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting  
Thursday, July 28, 2016  
5:30 P.M.**

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

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## **CALL TO ORDER**

Chair Hernandez called the regular meeting of the Orange County Fire Authority Executive Committee to order at 6:39 p.m. on July 28, 2016.

## **INVOCATION**

Senior Chaplain Dave Keehn offered the invocation.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

**Present:** Carol Gamble, Rancho Santa Margarita  
Noel Hatch, Laguna Woods  
Gene Hernandez, Yorba Linda  
Jeffrey Lalloway, Irvine  
Al Murray, Tustin  
Ed Sachs, Mission Viejo  
David Shawver, Stanton  
Elizabeth Swift, Buena Park  
Todd Spitzer, County of Orange

**Absent:** None

## **Also present were:**

Fire Chief Jeff Bowman	Assistant Chief Lori Zeller
Assistant Chief Mike Schroeder	Assistant Chief Brian Young
General Counsel David Kendig	Communications Director Sandy Cooney
Assistant Chief Dave Thomas	Assistant Clerk Martha Halvorson

## **1. PRESENTATIONS**

No items.

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

Budget and Finance Committee Chair Ed Sachs reported at its July 13, 2016, meeting, the Committee received and filed the Quarterly Status Update Orange County Employees' Retirement System, and voted unanimously to send the Monthly Investment Reports to the Executive Committee to receive and file the reports. In connection with the presentation of the Monthly Investment Reports, Orange County Treasurer Shari Freidenrich provided an overview of the Orange County Investment Pool. The Committee voted unanimously to send the Updated Cost Reimbursement Rates and the Emergency Command Center Staffing Enhancements Funded by CAL FIRE to the Board of Directors for approval. Chair Sachs concluded his report with the announcement of his recent appointment as Committee Chair.

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

Human Resources Chair Shawver reported at its July 5, 2016, meeting, the Committee received and filed both the Quarterly Human Resources Project Update and the Professional Standards Unit Progress Report. The Committee discussed and voted unanimously to send the consideration of the Award of RFP #JA2059 Internal Affairs Investigative Services to the Executive Committee with the recommendation for its approval, and the Policy for Investigating Complaints, Allegations, and Observations of Employee Misconduct to the Executive Committee to receive and file the report.

## **REPORT FROM THE FIRE CHIEF (F: 12.02A7)**

Fire Chief Jeff Bowman introduced Assistant Chief Brian Young who provided an overview and update on the Professional Standards Unit with a brief PowerPoint presentation.

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

Chair Hernandez opened the Public Comments portion of the meeting. Chair Hernandez closed the Public Comments portion of the meeting without any statements from the public.

## **2. MINUTES**

### **A. Minutes from the June 23, 2016, Regular Executive Committee Meeting (F: 12.02A2)**

Director Spitzer noted that on Page 4 Item 3H the item's motion referenced "the Board of Directors" when it should be "the Executive Committee."

On motion of Director Murray and second by Vice Chair Swift, the Executive Committee voted unanimously by those present to approve the Minutes of the June 23, 2016, meeting, as amended. Directors Lalloway, Sachs, and Spitzer were recorded as abstentions due to their absence from the meeting.

### **3. CONSENT CALENDAR (Agenda Item No. 3C was pulled for separate consideration)**

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

On motion of Director Lalloway and second by Vice Chair Swift, the Executive Committee voted unanimously by those present to receive and file the reports as submitted.

#### **B. Purchase Order Extended Warranty and On-Site Service Contract with Zoll Medical Corporation (F: 19.09D1)**

On motion of Director Lalloway and second by Vice Chair Swift, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to issue a purchase order to Zoll Medical Corporation for the sole source purchase of a nine month extended warranty contract on our existing Zoll E-Series monitor/defibrillators in the amount of \$70,875.

#### **C. Legislative Review (F: 11.10F1)**

Director Lalloway pulled this item from the Consent Calendar to commend the Orange County Task Force on Drowning Prevention. He commented that the Task Force's efforts should be directed towards educating the public and not focused on legislation; he spoke in opposition to mandating costs for public safety.

Discussion ensued concerning impacts of legislation on the public including imposing additional costs and/or taxes on pool ownership.

On motion of Director Murray and second by Director Lalloway, the Executive Committee voted unanimously by those present to pull the item and to bring back for consideration at a future meeting.

### **4. DISCUSSION CALENDAR**

#### **A. Investigating Complaints, Allegations, and Observations of Employee Misconduct Procedure Update (F: 11.10P) (X: 17.27)**

Assistant Chief Brian Young reviewed the procedure for investigating complaints, allegations, and employee misconduct standards.

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

**B. Award of RFP #JA2059 Internal Affairs Investigative Services (F: 17.25)**

Assistant Chief Brian Young presented the staff report regarding the Award of RFP #JA2059 Internal Affairs Investigative Services.

On motion of Chair Hernandez and second by Director Sachs, the Executive Committee voted unanimously by those present to:

1. Approve and authorize the Fire Chief to sign two Professional Services Agreements for internal affairs investigative services; one with Van Dermyden Maddux Investigations Law Firm (VDM), and the other with Sintra Group; each with an initial one-year term in the amount of \$50,000 to be paid as services are provided.
2. Authorize the Purchasing Manager to redistribute or adjust the funding between the two firms as requested by the department so long as the aggregate amount does not exceed \$100,000 in a one-year period.
3. Approve and authorize the Purchasing Manager to extend each of the contracts for up to two additional one-year extensions without further Board approval so long as the aggregate amount of the two contracts does not exceed \$100,000 in any one-year period, the contract services are still required, and the contract performance meets expectations.

**COMMITTEE MEMBER COMMENTS (F: 12.02.A4)**

Director Sachs commented it appears from the selection of firms for the award of the investigative services, there were few RFP's submitted from Orange County businesses. Employee Relations Manager Brigette Gibb reported the most qualified and responsive to the RFP were considered; all qualified regional companies are always encouraged to respond.

**PUBLIC COMMENTS – CLOSED SESSION (F: 12.02A3)**

Chair Hernandez opened the Public Comments portion of the meeting. Chair Hernandez closed the Public Comments portion of the meeting without any statements from the public.

**CLOSED SESSION (F: 12.02A5)**

General Counsel David Kendig reported the Executive Committee would be convening to Closed Session to consider the matter on the Agenda identified as CS1, Public Employee Performance Evaluation.

Chair Hernandez recessed the meeting to Closed Session at 6:21 p.m.

**CS1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Position: Fire Chief

Authority: Government Code Section 54957

Chair Hernandez reconvened the meeting at 6:36 p.m.

**CLOSED SESSION REPORT (F: 12.02A5)**

General Counsel David Kendig stated there was no reportable action.

**ADJOURNMENT** – Chair Hernandez adjourned the meeting at 6:39 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, August 25, 2016, at 5:30 p.m.

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Martha Halvorson, CMC  
Assistant Clerk of the Authority





Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
August 25, 2016

Agenda Item No. 3A  
Consent Calendar

**Monthly Investment Reports**

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**Contact(s) for Further Information**

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

**Summary**

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

**Prior Board/Committee Action**

Since the August 10, 2016, meeting of the Budget and Finance Committee was cancelled, no prior committee action was taken on this item; however, this staff report was forwarded to members of the Budget and Finance Committee for review.

**RECOMMENDED ACTION(S)**

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 June 30, 2016. A preliminary investment report as of July 22, 2016, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

Final Investment Report – June 2016/Preliminary Report – July 2016

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – June 2016*

*Preliminary Report – July 2016*



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

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***Orange County Fire Authority***

***Final Investment Report***

***June 30, 2016***



**EXECUTIVE SUMMARY**

***Portfolio Activity & Earnings***

During the month of June 2016, the size of the portfolio decreased significantly by \$41.5 million to \$177.9 million. Significant receipts for the month included the fourth quarterly cash contract payments, property tax receipts, intergovernmental contract and grant payments and other charges for current services totaling \$19.5 million. Significant disbursements for the month included primarily two biweekly payrolls, which were approximately \$9.7 million each with related benefits. Total June cash outflows for operating expenditures amounted to approximately \$25.2 million. In addition, on June 30, 2016, a repayment of approximately \$37.0 million (principal plus interest) was made for the FY15/16 TRANs (Tax and Revenue Anticipation Notes). The portfolio's balance is expected to decrease further in the following month as there are no major receipts expected for July.

In June, the portfolio's yield to maturity (365-day equivalent) increased by 4 basis points to 0.60%. The effective rate of return, on the other hand, decreased by 9 basis points to 0.54% for the month, but edged up by one basis point to 0.47% for the fiscal year-to-date. The average maturity of the portfolio lengthened by 16 days to 163 days to maturity. As the FY2015/16 ended, portfolio interest earnings exceeded budgeted expectations due to overall higher cash balances throughout the fiscal year and better earnings rate than projected.

***Economic News***

U.S. economic activity strengthened in June 2016, although overall activity remained mixed. Employment conditions rebounded showing a solid payroll growth for the month; there were 287,000 new jobs created in June, a much stronger number compared to May. The unemployment rate, on the other hand, rose by 2 basis points to 4.9%. Consumer confidence stayed mixed; however, retail sales continued to post a better than expected gain in June. Both manufacturing and non-manufacturing sectors expanded. The CPI (Consumer Price Index) rose modestly and longer-term inflation remained low. Housing activity picked up in June; both existing and new home sales increased better than expected. Industrial production improved rising better than expected while durable goods orders declined. On July 27, 2016, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at a target range of 0.25% – 0.50%. The Committee also upgraded its outlook on the economy. However, current expectations remain that the Fed will likely raise rates at their December meeting.



**BENCHMARK COMPARISON AS OF JUNE 30, 2016**

<i>3 Month T-Bill:</i> 0.27%	<i>1 Year T-Bill:</i> 0.55%
<i>6 Month T-Bill:</i> 0.40%	<i>LAIF:</i> 0.58%
<i>OCFA Portfolio:</i> 0.54%	

**PORTFOLIO SIZE, YIELD, & DURATION**

	<u><i>Current Month</i></u>	<u><i>Prior Month</i></u>	<u><i>Prior Year</i></u>
<i>Book Value-</i>	\$177,924,742	\$219,421,789	\$164,961,691
<i>Yield to Maturity (365 day)</i>	0.60%	0.56%	0.34%
<i>Effective Rate of Return</i>	0.54%	0.63%	0.26%
<i>Days to Maturity</i>	163	147	126



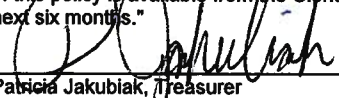
**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**June 30, 2016**

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

Investments	Par Value	(See Note 1 on page 9)	(See Note 2 on page 9)	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
		Market Value	Book Value					
Money Mkt Mutual Funds/Cash	6,560,577.87	6,560,577.87	6,560,577.87	3.67	1	1	0.001	0.001
Federal Agency Coupon Securities	52,000,000.00	52,073,830.00	52,013,820.89	29.11	894	507	0.967	0.981
Federal Agency Disc. -Amortizing	56,000,000.00	55,978,650.00	55,972,902.21	31.33	101	48	0.342	0.347
Local Agency Investment Funds	64,108,240.28	64,148,065.73	64,108,240.28	35.88	1	1	0.568	0.576
<b>Investments</b>	<b>178,668,818.15</b>	<b>178,761,123.60</b>	<b>178,655,541.25</b>	<b>100.00%</b>	<b>292</b>	<b>163</b>	<b>0.593</b>	<b>0.601</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	(See Note 4 on page 9) -863,998.05	-863,998.05	-863,998.05		0	0	0.000	0.000
Accrued Interest at Purchase		27,616.67	27,616.67					
Subtotal		-836,381.38	-836,381.38					
<b>Total Cash and Investments</b>	<b>177,804,820.10</b>	<b>177,924,742.22</b>	<b>177,819,159.87</b>		<b>292</b>	<b>163</b>	<b>0.593</b>	<b>0.601</b>

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	95,449.86	846,963.98	846,963.98
Average Daily Balance	215,756,534.54	178,999,759.30	
Effective Rate of Return	0.54%	0.47%	

"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, 2016. 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 7/1/16

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 177,819,159.87
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 105,582.35
<b>Total</b>	<b>\$ 177,924,742.22</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2016**

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations		(See Note 4 on page 9)	6,560,577.87	6,560,577.87	6,560,577.87	0.001	0.001	1	
<b>Subtotal and Average</b>			<b>11,927,679.36</b>		<b>6,560,577.87</b>	<b>6,560,577.87</b>	<b>6,560,577.87</b>		<b>0.001</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,180.00	9,000,000.00	0.990	0.998	570	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank	Callable Anytime	10/15/2015	10,000,000.00	10,000,200.00	10,000,000.00	1.100	1.054	836	10/15/2018
3133EFAZ0	869	Federal Farm Credit Bank	Callable 9-6-16	04/21/2016	8,000,000.00	8,007,120.00	8,006,663.70	1.280	1.206	797	09/06/2018
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	9,054,450.00	9,000,000.00	1.100	1.065	630	03/23/2018
3134G3W63	892	Fed Home Loan Mtg Corp	Callable 8-28-16	05/26/2016	10,000,000.00	10,008,100.00	10,003,221.74	1.030	0.827	58	11/28/2017
3130A67K7	884	Fed Home Loan Bank	Callable 8-10-16	04/20/2016	6,000,000.00	6,003,780.00	6,003,935.45	1.270	0.662	40	08/10/2018
<b>Subtotal and Average</b>			<b>52,017,690.16</b>		<b>52,000,000.00</b>	<b>52,073,830.00</b>	<b>52,013,820.89</b>		<b>0.981</b>	<b>507</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313396G98	886	Freddie Mac		04/21/2016	9,000,000.00	8,994,150.00	8,992,860.00	0.340	0.350	84	09/23/2016
313384YV5	886	Fed Home Loan Bank		04/21/2016	9,000,000.00	9,000,000.00	9,000,000.00	0.290	0.298	0	07/01/2016
313384ZZ5	887	Fed Home Loan Bank		04/21/2016	9,000,000.00	8,998,830.00	8,997,900.00	0.300	0.309	28	07/29/2016
313384ZK8	890	Fed Home Loan Bank		05/12/2016	9,000,000.00	8,999,370.00	8,999,020.00	0.280	0.288	14	07/15/2016
313384D55	891	Fed Home Loan Bank		05/24/2016	10,000,000.00	9,996,100.00	9,993,486.66	0.420	0.432	56	08/26/2016
313384J75	893	Fed Home Loan Bank		06/09/2016	10,000,000.00	9,990,200.00	9,989,655.55	0.380	0.391	98	10/07/2016
<b>Subtotal and Average</b>			<b>78,032,764.80</b>		<b>56,000,000.00</b>	<b>55,978,660.00</b>	<b>55,972,902.21</b>		<b>0.347</b>	<b>48</b>	
<b>Treasury Coupon Securities</b>											
<b>Subtotal and Average</b>			<b>9,670,260.16</b>								
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmnt Fund			64,108,240.28	64,148,065.73	64,108,240.28	0.576	0.576	1	
<b>Subtotal and Average</b>			<b>64,108,240.28</b>		<b>64,108,240.28</b>	<b>64,148,065.73</b>	<b>64,108,240.28</b>		<b>0.576</b>	<b>1</b>	
<b>Total and Average</b>			<b>215,766,634.66</b>		<b>178,668,818.15</b>	<b>178,761,123.80</b>	<b>178,665,641.25</b>		<b>0.801</b>	<b>163</b>	



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 30, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTWC 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2015	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2015	-883,998.05	-883,998.05	-883,998.05	(See Note 4 on page 9)	0.000	1
<b>Average Balance</b>			<b>0.00</b>	<b>Accrued Interest at Purchase</b>		<b>27,616.67</b>	<b>27,616.67</b>			<b>0</b>
				<b>Subtotal</b>		<b>-836,381.38</b>	<b>-836,381.38</b>			
<b>Total Cash and Investments</b>			<b>215,756,534.64</b>		<b>177,804,820.10</b>	<b>177,924,742.22</b>	<b>177,819,159.87</b>		<b>0.601</b>	<b>163</b>

**“We visualize problems and solutions  
through the eyes of those we serve.”**



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of July 1, 2016**

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

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	( 07/01/2016 - 07/01/2016 )	5 Maturities	0 Payments	78,804,820.10	44.32%	78,804,820.10	78,844,645.55
Aging Interval:	1 - 30 days	( 07/02/2016 - 07/31/2016 )	2 Maturities	0 Payments	18,000,000.00	10.12%	17,996,920.00	17,998,200.00
Aging Interval:	31 - 60 days	( 08/01/2016 - 08/30/2016 )	1 Maturities	0 Payments	10,000,000.00	5.62%	9,993,466.66	9,996,100.00
Aging Interval:	61 - 91 days	( 08/31/2016 - 09/30/2016 )	1 Maturities	0 Payments	9,000,000.00	5.06%	8,992,860.00	8,994,150.00
Aging Interval:	92 - 121 days	( 10/01/2016 - 10/30/2016 )	1 Maturities	0 Payments	10,000,000.00	5.62%	9,989,655.55	9,990,200.00
Aging Interval:	122 - 152 days	( 10/31/2016 - 11/30/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	( 12/01/2016 - 12/31/2016 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	( 01/01/2017 - 04/01/2017 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	( 04/02/2017 - 07/01/2017 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 07/02/2017 - 07/01/2019 )	6 Maturities	0 Payments	52,000,000.00	29.26%	52,013,820.89	52,073,830.00
Aging Interval:	1096 days and after	( 07/02/2019 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
<b>Total for</b>			<b>16 Investments</b>	<b>0 Payments</b>		<b>100.00</b>	<b>177,791,543.20</b>	<b>177,897,125.55</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 MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2016 includes an increase of \$39,825 to the LAIF investment and an increase of \$65,757 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 June 30, 2016, OCFA has \$64,108,240 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 June 30, 2016 is 1.000621222. When applied to OCFA's LAIF investment, the fair value is \$64,148,065 or \$39,825 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at June 30, 2016 is included on the following page.



**State of California  
Pooled Money Investment Account  
Market Valuation  
6/30/2016**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
1* United States Treasury:				
Bills	\$ 12,202,776,744.48	\$ 12,223,991,747.38	\$ 12,233,011,000.00	NA
Notes	\$ 21,650,061,435.88	\$ 21,643,492,715.88	\$ 21,679,913,000.00	\$ 32,803,585.50
1* Federal Agency:				
SBA	\$ 711,503,679.54	\$ 711,488,193.35	\$ 705,336,310.09	\$ 903,583.96
MBS-REMICs	\$ 59,658,122.97	\$ 59,658,122.97	\$ 63,529,777.27	\$ 282,224.56
Debentures	\$ 1,105,155,621.62	\$ 1,105,073,677.18	\$ 1,106,209,500.00	\$ 1,544,500.15
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 8,126,877,847.14	\$ 8,133,238,361.10	\$ 8,135,019,000.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
1* Supranational Debentures	\$ 599,982,831.85	\$ 599,982,831.85	\$ 601,736,500.00	\$ 1,126,943.50
2* CDs and YCDs FR	\$ 400,000,000.00	\$ 400,000,000.00	\$ 400,000,000.00	\$ 611,288.61
2* Bank Notes	\$ 800,000,000.00	\$ 800,000,000.00	\$ 799,735,907.64	\$ 752,749.99
2* CDs and YCDs	\$ 16,175,007,758.81	\$ 16,175,001,869.92	\$ 16,174,127,406.71	\$ 16,474,277.76
2* Commercial Paper	\$ 7,486,127,569.47	\$ 7,492,070,527.88	\$ 7,492,217,111.12	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,549,440,000.00	\$ 5,549,440,000.00	\$ 5,549,440,000.00	NA
AB 55 & GF Loans	\$ 502,313,000.00	\$ 502,313,000.00	\$ 502,313,000.00	NA
<b>TOTAL</b>	<b>\$ 75,368,904,611.76</b>	<b>\$ 75,395,751,047.51</b>	<b>\$ 75,442,588,512.83</b>	<b>\$ 54,499,154.03</b>

Fair Value Including Accrued Interest \$ 75,497,087,666.86

\* Governmental Accounting Standards Board (GASB) Statement #72

Repurchase Agreements, Time Deposits, AB 55 & 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 (1.000621222). 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 \$20,012,424.43 or \$20,000,000.00 x 1.000621222.



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***Orange County Fire Authority***  
***Preliminary Investment Report***  
***July 22, 2016***



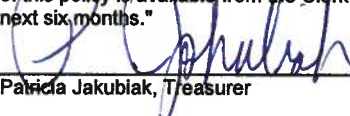
**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**July 22, 2016**

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

Investments	Par Value	(See Note 1 on page 18)	(See Note 2 on page 18)	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
		Market Value	Book Value					
Money Mkt Mutual Funds/Cash	8,582,660.52	8,582,660.52	8,582,660.52	5.27	1	1	0.001	0.001
Federal Agency Coupon Securities	52,000,000.00	52,028,770.00	52,008,102.01	31.95	894	485	0.967	0.981
Federal Agency Disc. -Amortizing	38,000,000.00	37,985,150.00	37,982,291.11	23.34	116	45	0.368	0.373
Local Agency Investment Funds	64,195,460.68	64,235,340.31	64,195,460.68	39.44	1	1	0.568	0.576
<b>Investments</b>	<b>162,778,121.20</b>	<b>162,831,920.83</b>	<b>162,768,514.32</b>	<b>100.00%</b>	<b>313</b>	<b>166</b>	<b>0.619</b>	<b>0.628</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	455,986.56	455,986.56	455,986.56		1	1	0.000	0.000
Accrued Interest at Purchase		27,616.67	27,616.67					
Subtotal		483,603.23	483,603.23					
<b>Total Cash and Investments</b>	<b>163,234,107.76</b>	<b>163,315,524.06</b>	<b>163,252,117.55</b>		<b>313</b>	<b>166</b>	<b>0.619</b>	<b>0.628</b>

Total Earnings	July 22 Month Ending	Fiscal Year To Date
Current Year	61,369.97	61,369.97
Average Daily Balance	170,751,366.26	170,751,366.26
Effective Rate of Return	0.60%	0.60%

"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, 2016. 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      7/29/16

<b>Cash and Investments with GASB 31 Adjustment:</b>	
Book Value of Cash & Investments before GASB 31 (Above)	\$ 163,252,117.55
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 105,582.35
<b>Total</b>	<b>\$ 163,357,699.90</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**July 22, 2016**

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/FC 365	Days to Maturity	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYSS28	528	Federated Treasury Obligations			8,582,660.52	8,582,660.52	8,582,660.52	0.001	0.001	1	
<b>Subtotal and Average</b>			<b>10,895,317.03</b>		<b>8,582,660.52</b>	<b>8,582,660.52</b>	<b>8,582,660.52</b>		<b>0.001</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,000.00	9,000,000.00	0.990	0.998	548	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank Callable Anytime		10/15/2015	10,000,000.00	9,990,400.00	10,000,000.00	1.100	1.054	814	10/15/2018
3133EFAZ0	889	Federal Farm Credit Bank Callable 9-6-16		04/21/2016	8,000,000.00	8,003,520.00	8,004,408.30	1.280	1.206	775	09/08/2018
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	9,038,450.00	9,000,000.00	1.100	1.065	608	03/23/2018
3134G3W63	892	Fed Home Loan Mtg Corp Callable 8-28-16		05/26/2016	10,000,000.00	9,997,200.00	10,001,978.28	1.030	0.827	36	11/28/2017
3130A67K7	884	Fed Home Loan Bank Callable 8-10-16		04/20/2016	6,000,000.00	6,001,200.00	6,001,715.45	1.270	0.662	18	08/10/2018
<b>Subtotal and Average</b>			<b>62,010,831.48</b>		<b>62,000,000.00</b>	<b>62,028,770.00</b>	<b>62,008,102.01</b>		<b>0.981</b>	<b>485</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313399G98	888	Freddie Mac		04/21/2016	9,000,000.00	8,995,230.00	8,994,730.00	0.340	0.350	62	09/23/2016
313384ZZ5	887	Fed Home Loan Bank		04/21/2016	9,000,000.00	8,999,820.00	8,999,550.00	0.300	0.309	6	07/29/2016
313384D55	891	Fed Home Loan Bank		05/24/2016	10,000,000.00	9,997,300.00	9,996,033.33	0.420	0.432	34	08/28/2016
313384J75	893	Fed Home Loan Bank		06/09/2016	10,000,000.00	9,992,800.00	9,991,977.78	0.380	0.391	76	10/07/2016
<b>Subtotal and Average</b>			<b>43,705,260.96</b>		<b>38,000,000.00</b>	<b>37,985,180.00</b>	<b>37,982,291.11</b>		<b>0.373</b>	<b>45</b>	
<b>Local Agency Investment Funds</b>											
SYSS36	336	Local Agency Investmt Fund			64,195,460.68	64,235,340.31	64,195,460.68	0.576	0.576	1	
<b>Subtotal and Average</b>			<b>64,138,956.79</b>		<b>64,195,460.68</b>	<b>64,238,340.31</b>	<b>64,195,460.68</b>		<b>0.576</b>	<b>1</b>	
<b>Total and Average</b>			<b>170,751,366.26</b>		<b>162,778,121.20</b>	<b>162,831,920.83</b>	<b>162,766,814.32</b>		<b>0.628</b>	<b>166</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**July 22, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2016	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2016	435,986.56	435,986.56	435,986.56		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							
				Accrued Interest at Purchase		27,616.67	27,616.67			1
				Subtotal		483,603.23	483,603.23			
		<b>Total Cash and Investments</b>	<b>170,751,366.26</b>		<b>163,234,107.76</b>	<b>163,315,524.06</b>	<b>163,252,117.55</b>		<b>0.628</b>	<b>166</b>

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**ORANGE COUNTY FIRE AUTHORITY  
Aging Report  
By Maturity Date  
As of July 23, 2016**

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
<b>Aging Interval:</b>	<b>0 days</b>	<b>(07/23/2016 - 07/23/2016 )</b>	<b>4 Maturities</b>	<b>0 Payments</b>	<b>73,234,107.76</b>	<b>44.87%</b>	<b>73,234,107.76</b>	<b>73,273,987.39</b>
<b>Aging Interval:</b>	<b>1 - 30 days</b>	<b>(07/24/2016 - 08/22/2016 )</b>	<b>1 Maturities</b>	<b>0 Payments</b>	<b>9,000,000.00</b>	<b>5.51%</b>	<b>8,999,550.00</b>	<b>8,999,820.00</b>
<b>Aging Interval:</b>	<b>31 - 60 days</b>	<b>(08/23/2016 - 09/21/2016 )</b>	<b>1 Maturities</b>	<b>0 Payments</b>	<b>10,000,000.00</b>	<b>6.12%</b>	<b>9,996,033.33</b>	<b>9,997,300.00</b>
<b>Aging Interval:</b>	<b>61 - 91 days</b>	<b>(09/22/2016 - 10/22/2016 )</b>	<b>2 Maturities</b>	<b>0 Payments</b>	<b>19,000,000.00</b>	<b>11.63%</b>	<b>18,986,707.78</b>	<b>18,988,030.00</b>
<b>Aging Interval:</b>	<b>92 - 121 days</b>	<b>(10/23/2016 - 11/21/2016 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>122 - 152 days</b>	<b>(11/22/2016 - 12/22/2016 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>153 - 183 days</b>	<b>(12/23/2016 - 01/22/2017 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>184 - 274 days</b>	<b>(01/23/2017 - 04/23/2017 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>275 - 365 days</b>	<b>(04/24/2017 - 07/23/2017 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>366 - 1095 days</b>	<b>(07/24/2017 - 07/23/2019 )</b>	<b>6 Maturities</b>	<b>0 Payments</b>	<b>52,000,000.00</b>	<b>31.86%</b>	<b>52,008,102.01</b>	<b>52,028,770.00</b>
<b>Aging Interval:</b>	<b>1096 days and after</b>	<b>(07/24/2019 - )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
			<b>Total for</b>	<b>14 Investments</b>	<b>0 Payments</b>	<b>100.00</b>	<b>163,224,500.88</b>	<b>163,287,907.39</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 MUFG Union Bank Trust Department provides market values of the remaining investments.
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- 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, 2016 includes an increase of \$39,825 to the LAIF investment and an increase of \$65,757 to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

## GLOSSARY

### INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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