



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Regular Meeting

Wednesday, February 14, 2018

12:00 Noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Ed Sachs, Chair

Joe Muller, Vice Chair

Shelley Hasselbrink Gene Hernandez Al Murray Beth Swift Tri Ta

Vacant – Ex Officio

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



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

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Vice Chair Muller

ROLL CALL

PUBLIC COMMENTS

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

1. PRESENTATIONS

No items.

2. MINUTES

A. Minutes for the January 10, 2018, Budget and Finance Committee Regular Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR

No items.

4. DISCUSSION CALENDAR

A. Monthly Investment Reports

Submitted by: Patricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of February 22, 2018, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Second Quarter Financial Newsletter

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of February 22, 2018, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

REPORTS

No items.

ELECTION OF CHAIR AND VICE CHAIR

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, March 14, 2018, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 8th day of February 2018.

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

UPCOMING MEETINGS:

Claims Settlement Committee Meeting	Thursday, February 22, 2018, 5:00 p.m.
Executive Committee Meeting	Thursday, February 22, 2018, 5:30 p.m.
Board of Directors Meeting	Thursday, February 22, 2018, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Regular Meeting

Wednesday, January 10, 2018

12:00 Noon

Regional Fire Operations and Training Center

Room AE117

1 Fire Authority Road

Irvine, CA 92602

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on January 10, 2018, at 12:00 p.m. by Chair Sachs.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Elizabeth Swift, Buena Park
Al Murray, Tustin
Ed Sachs, Mission Viejo
Gene Hernandez, Yorba Linda
Shelley Hasselbrink, Los Alamitos
Joseph Muller, Dana Point
Tri Ta, Westminster
Bruce Channing, Ex Officio

Absent: None

Also present were:

Assistant Chief Lori Smith
Assistant Chief Mike Schroeder
Assistant Chief Brian Young
General Counsel David Kendig

Assistant Chief Dave Anderson
Assistant Chief Lori Zeller
Human Resources Director Brigitte Gibb
Clerk of the Authority Sherry Wentz

PUBLIC COMMENTS

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

1. PRESENTATIONS

No items.

2. MINUTES

A. Minutes for the November 8, 2017, Budget and Finance Committee Regular Meeting (F: 12.02B2)

On motion of Director Murray and second by Director Hernandez, the Budget and Finance Committee voted unanimously by those present to approve the Minutes of the November 8, 2017, regular meeting as submitted.

Director Ta and Vice Chair Muller were recorded as abstentions due to their absence from the meeting.

3. CONSENT CALENDAR (Agenda item Nos. 3A and 3B were pulled for separate consideration)

A. Orange County Employees' Retirement System Quarterly Status Update (F: 17.06B)

Director Murray pulled this item to request an update on the pension paydown.

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

B. Annual Grant Priorities for 2018 (F: 11.10G)

This Item was pulled by staff to provide an update on the future potential grants available.

Jay Barkman, Legislative Analyst provided an update on the Grant Priorities for 2018.

On motion of Director Murray and second by Director Ta, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of January 25, 2018, with the Budget and Finance Committee's recommendation that the Board of Directors approve the Annual Grant Priorities for 2018.

C. First Quarter Financial Newsletter (F: 15.07)

On motion of Director Murray and second by Director Ta, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of January 25, 2018, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

4. DISCUSSION CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

Treasurer Tricia Jakubiak provided an overview of the Monthly Investment Reports.

On motion of Vice Chair Muller and second by Director Ta, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of January 25, 2018, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. FY 2017/18 Mid-Year Financial Report (F: 15.04 FY 17/18)

Assistant Chief Lori Zeller introduced Budget Manager Deborah Gunderson who provided an overview of the FY 2017/18 Mid-Year Financial Report.

On motion of Director Ta and second by Director Swift, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of January 25, 2018, with the Budget and Finance Committee's recommendation that the Board of Directors direct staff to continue monitoring the budget for further refinement and return in March 2018 for approval of the proposed FY 2017/18 budget adjustments.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

Director Swift gave an update on Fire Station 61 (Buena Park) with a completion date by May and the Grand Opening in July 2018.

Director Murray mentioned that he will not be in attendance at the January Board meeting due to the Tustin Mayor's dinner. He thanked retiring Laguna Hills City Manager Bruce Channing for his service to the OCFA.

Director Hernandez also thanked Bruce Channing for his service, and asked if the OCFA had deployed the US&R Task Force to assist Santa Barbara County with the flooding and mudslides.

Assistant Chief Brian Young reported Regional Task Force 10 (RTF-10) had been assigned to the Montecito area to assist with search and rescue efforts.

ADJOURNMENT – Chair Sachs adjourned the meeting at 12:30 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, February 14, 2018, at 12:00 noon.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 14, 2018

Agenda Item No. 4A
Discussion Calendar

Monthly Investment Reports

Contact(s) for Further Information

Tricia Jakubiak, Treasurer Treasury & Financial Planning	triciajakubiak@ocfa.org	714.573.6301
Jane Wong, Assistant Treasurer	jane Wong@ocfa.org	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

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 February 22, 2018, 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 December 31, 2017. A preliminary investment report as of January 26, 2018, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – December 2017/Preliminary Report – January 2018

Orange County Fire Authority Monthly Investment Report



Final Report – December 2017

Preliminary Report – January 2018



Monthly Investment Report Table of Contents

<i>Final Investment Report – December 31, 2017.....</i>	<i>1</i>
<i>Executive Summary.....</i>	<i>2</i>
<i>Benchmark Comparison.....</i>	<i>3</i>
<i>Portfolio Size, Yield, & Duration.....</i>	<i>3</i>
<i>Portfolio Summary.....</i>	<i>4</i>
<i>Portfolio Details.....</i>	<i>5</i>
<i>Aging Report.....</i>	<i>8</i>
<i>Notes to Portfolio Management Report.....</i>	<i>9</i>
<i>Local Agency Investment Fund.....</i>	<i>10</i>
 <i>Preliminary Investment Report – January 26, 2018.....</i>	 <i>12</i>
<i>Portfolio Summary.....</i>	<i>13</i>
<i>Portfolio Details.....</i>	<i>14</i>
<i>Aging Report.....</i>	<i>17</i>
<i>Notes to Portfolio Management Report.....</i>	<i>18</i>
 <i>Glossary.....</i>	 <i>19</i>



Orange County Fire Authority

Final Investment Report

December 31, 2017



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of December 2017, the size of the portfolio increased significantly by \$50.6 million to \$195.1 million. Significant receipts for the month included the third apportionment of secured property taxes in the amount of \$83.4 million and various cash contact payments, charges for current services and intergovernmental agency payments totaling \$19.0 million. Significant disbursements for the month included three biweekly payrolls (instead of the typical two per month) which were approximately \$10.8 million each with related benefits. Significant disbursements also included a \$19.1 million payment to OCERS for additional UAAL (Unfunded Actuarial Accrued Liability) pay-down as previously approved by the Board. Total December cash outflows amounted to approximately \$53.5 million. The portfolio's balance is expected to decrease significantly in the following month as there are no major receipts scheduled for January.

In December, the portfolio's yield to maturity (365-day equivalent) increased by 9 basis points to 1.20%. The effective rate of return, rose by 2 basis points to 1.17% for the month and increased by 3 basis points to 1.09% for the fiscal year to date. The average maturity of the portfolio shortened by 24 days to 85 days to maturity. As the first half of the fiscal year completed, portfolio interest earnings came in less than projected and will be reviewed for a possible mid-year adjustment.

Economic News

The U.S. economy grew in December 2017, despite mixed economic indicators. Employment growth remained solid. There were a total of 148,000 new jobs created for the month, and the unemployment rate remained unchanged at a low rate of 4.1%. Consumer Confidence measures declined slightly in December, but still remained at a high level. Retail sales came in strong in December rising by 0.4%, meeting expectations. Manufacturing activity increased while the non-manufacturing sector pulled back slightly, albeit both are expanding. Durable goods orders and industrial production rose for the month. The CPI (Consumer Price Index) increased by 0.3%, as expected. Housing activity declined in December, but existing home sales ended the year strong. On January 31, 2018, the Federal Open Market Committee met and voted, as expected, to keep the federal funds rate unchanged at a target range of 1.25% - 1.50%.



BENCHMARK COMPARISON AS OF DECEMBER 31, 2017

3 Month T-Bill: 1.34%

1 Year T-Bill: 1.70%

6 Month T-Bill: 1.50%

LAIF: 1.24%

OCFA Portfolio: 1.17%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value-</i>	\$195,078,136	\$144,470,372	\$208,213,220
<i>Yield to Maturity (365 day)</i>	1.20%	1.11%	0.66%
<i>Effective Rate of Return</i>	1.17%	1.15%	0.58%
<i>Days to Maturity</i>	85	109	78



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
December 31, 2017

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

(See Note 1 on page 9)

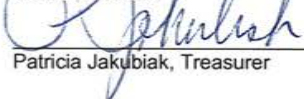
(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	21,563,567.64	21,563,567.64	21,563,567.64	11.09	1	1	0.799	0.810
Federal Agency Coupon Securities	35,000,000.00	34,803,540.00	35,000,000.00	18.00	971	388	1.223	1.240
Federal Agency Disc. -Amortizing	61,000,000.00	60,922,390.00	60,924,202.50	31.34	53	35	1.254	1.272
Treasury Discounts -Amortizing	17,000,000.00	16,976,620.00	16,976,226.11	8.73	71	40	1.213	1.230
Local Agency Investment Funds	59,944,164.33	59,829,882.52	59,944,164.33	30.83	1	1	1.222	1.239
Investments	194,507,731.97	194,096,000.16	194,408,160.58	100.00%	198	85	1.185	1.201

Cash								
Passbook/Checking (not included in yield calculations)	875,978.75	875,978.75	875,978.75		1	1	0.000	0.000
Total Cash and Investments	195,383,710.72	194,971,978.91	195,284,139.33		198	85	1.185	1.201

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	158,311.67	806,598.12
Average Daily Balance	158,911,770.13	147,363,461.81
Effective Rate of Return	1.17%	1.09%

"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, 2017. 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

1/5/18

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 195,284,139.33
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ (206,003.82)
Total	\$ 195,078,135.51

ORANGE COUNTY FIRE AUTHORITY

Portfolio Management

Portfolio Details - Investments

December 31, 2017

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			21,563,567.64	21,563,567.64	21,563,567.64	0.810	0.810	1	
Subtotal and Average			15,963,062.87		21,563,567.64	21,563,567.64	21,563,567.64		0.810	1	
Federal Agency Coupon Securities											
3133EFJP3	869	Federal Farm Credit Bank (Callable Anytime)		10/15/2015	10,000,000.00	9,945,700.00	10,000,000.00	1.100	1.054	287	10/15/2018
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,914,810.00	7,000,000.00	1.180	1.375	577	08/01/2019
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	8,994,150.00	9,000,000.00	1.100	1.065	81	03/23/2018
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,948,880.00	9,000,000.00	1.625	1.518	662	10/25/2019
Subtotal and Average			35,000,000.00		35,000,000.00	34,803,540.00	35,000,000.00		1.240	388	
Federal Agency Disc. -Amortizing											
313589RS4	925	Fed Natl Mortg Assoc		11/30/2017	18,000,000.00	17,993,520.00	17,993,675.00	1.150	1.184	11	01/12/2018
313589SW4	928	Fed Natl Mortg Assoc		12/20/2017	9,000,000.00	8,987,490.00	8,987,910.00	1.240	1.277	39	02/09/2018
313589TL7	929	Fed Natl Mortg Assoc		12/20/2017	9,000,000.00	8,982,810.00	8,983,305.00	1.260	1.298	53	02/23/2018
313385RS7	926	Fed Home Loan Bank		12/21/2017	10,000,000.00	9,996,400.00	9,996,150.00	1.260	1.296	11	01/12/2018
313385SG2	927	Fed Home Loan Bank		12/20/2017	6,000,000.00	5,994,840.00	5,994,750.00	1.260	1.297	25	01/26/2018
313385VE3	931	Fed Home Loan Bank		12/20/2017	9,000,000.00	8,967,330.00	8,968,412.50	1.330	1.373	95	04/06/2018
Subtotal and Average			34,277,755.65		61,000,000.00	60,922,390.00	60,924,202.50		1.272	35	
Treasury Discounts -Amortizing											
912796ML0	924	US Treasury Bill		11/09/2017	8,000,000.00	7,997,680.00	7,997,511.11	1.120	1.138	10	01/11/2018
912796NU9	930	US Treasury Bill		12/20/2017	9,000,000.00	8,978,940.00	8,978,715.00	1.290	1.312	66	03/08/2018
Subtotal and Average			11,488,722.78		17,000,000.00	16,976,620.00	16,976,226.11		1.230	40	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			59,944,164.33	59,829,882.52	59,944,164.33	1.239	1.239	1	
Subtotal and Average			62,202,228.85		59,944,164.33	59,829,882.52	59,944,164.33		1.239	1	
Total and Average			158,911,770.13		194,507,731.97	194,096,000.16	194,408,160.58		1.201	85	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
December 31, 2017

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10033	10033	Revolving Fund		07/01/2017	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2017	855,978.75	855,978.75	855,978.75		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			158,911,770.13		195,383,710.72	194,971,978.91	195,284,139.33		1.201	85

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



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of January 1, 2018

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	(01/01/2018 - 01/01/2018)	4 Maturities	0 Payments	82,383,710.72	42.19%	82,383,710.72	82,269,428.91
Aging Interval:	1 - 30 days	(01/02/2018 - 01/31/2018)	4 Maturities	0 Payments	42,000,000.00	21.50%	41,982,086.11	41,982,440.00
Aging Interval:	31 - 60 days	(02/01/2018 - 03/02/2018)	2 Maturities	0 Payments	18,000,000.00	9.20%	17,971,215.00	17,970,300.00
Aging Interval:	61 - 91 days	(03/03/2018 - 04/02/2018)	2 Maturities	0 Payments	18,000,000.00	9.21%	17,978,715.00	17,973,090.00
Aging Interval:	92 - 121 days	(04/03/2018 - 05/02/2018)	1 Maturities	0 Payments	9,000,000.00	4.59%	8,968,412.50	8,967,330.00
Aging Interval:	122 - 152 days	(05/03/2018 - 06/02/2018)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(06/03/2018 - 07/03/2018)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(07/04/2018 - 10/02/2018)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(10/03/2018 - 01/01/2019)	1 Maturities	0 Payments	10,000,000.00	5.12%	10,000,000.00	9,945,700.00
Aging Interval:	366 - 1095 days	(01/02/2019 - 12/31/2020)	2 Maturities	0 Payments	16,000,000.00	8.19%	16,000,000.00	15,863,690.00
Aging Interval:	1096 days and after	(01/01/2021 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			16 Investments	0 Payments		100.00	195,284,139.33	194,971,978.91



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, 2017 includes a decrease of (\$68,353) to the LAIF investment and a decrease of (\$137,651) 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 December 31, 2017, OCFA has \$59,944,164 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 December 31, 2017 is 0.998093529. When applied to OCFA's LAIF investment, the fair value is \$59,829,883 or (\$114,281) 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 at December 31, 2017 is included on the following page.



State of California
Pooled Money Investment Account
Market Valuation
12/31/2017

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
1* United States Treasury:				
Bills	\$ 15,798,555,512.89	\$ 15,873,337,714.44	\$ 15,860,404,500.00	NA
Notes	\$ 20,668,927,462.54	\$ 20,663,056,666.82	\$ 20,567,399,500.00	\$ 51,205,126.00
1* Federal Agency:				
SBA	\$ 863,151,176.21	\$ 863,121,107.49	\$ 854,212,976.72	\$ 1,085,497.30
MBS-REMICs	\$ 32,120,879.43	\$ 32,120,879.43	\$ 33,135,054.84	\$ 150,303.41
Debentures	\$ 1,378,587,035.45	\$ 1,378,560,299.33	\$ 1,370,297,200.00	\$ 3,311,850.25
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 250,000,000.00	\$ 250,000,000.00	\$ 247,477,500.00	\$ 1,374,735.50
Discount Notes	\$ 8,395,522,888.62	\$ 8,418,489,291.59	\$ 8,414,180,500.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
1* Supranational Debentures	\$ 450,210,930.52	\$ 450,113,708.30	\$ 447,618,000.00	\$ 1,441,215.00
1* Supranational Debentures FR	\$ 50,000,000.00	\$ 50,000,000.00	\$ 50,063,000.00	\$ 162,067.78
2* CDs and YCDs FR	\$ 525,000,000.00	\$ 525,000,000.00	\$ 525,000,000.00	\$ 1,499,171.12
2* Bank Notes	\$ 600,000,000.00	\$ 600,000,000.00	\$ 599,619,554.09	\$ 2,337,722.21
2* CDs and YCDs	\$ 11,225,000,000.00	\$ 11,225,000,000.00	\$ 11,219,981,017.33	\$ 22,812,888.95
2* Commercial Paper	\$ 7,261,281,569.44	\$ 7,273,970,472.21	\$ 7,271,584,361.13	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,307,240,000.00	\$ 5,307,240,000.00	\$ 5,307,240,000.00	NA
AB 55 & GF Loans	\$ 1,466,657,000.00	\$ 1,466,657,000.00	\$ 1,466,657,000.00	NA
TOTAL	\$ 74,272,254,455.10	\$ 74,376,667,139.61	\$ 74,234,870,164.11	\$ 85,380,577.52

Fair Value Including Accrued Interest

\$ 74,320,250,741.63

* 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 (0.998093529). 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 \$19,961,870.58 or \$20,000,000.00 x 0.998093529.



Orange County Fire Authority

Preliminary Investment Report

January 26, 2018



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
January 26, 2018

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

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	3,196,466.75	3,196,466.75	3,196,466.75	1.98	1	1	0.799	0.810
Federal Agency Coupon Securities	35,000,000.00	34,770,220.00	35,000,000.00	21.73	971	362	1.223	1.240
Federal Agency Disc. -Amortizing	45,000,000.00	44,875,440.00	44,880,430.00	27.87	98	69	1.360	1.378
Treasury Discounts -Amortizing	15,000,000.00	14,965,710.00	14,965,020.00	9.29	94	62	1.331	1.349
Local Agency Investment Funds	63,000,000.00	62,879,892.33	63,000,000.00	39.12	1	1	1.222	1.239
Investments	161,196,466.75	160,687,729.08	161,041,916.75	100.00%	248	104	1.262	1.280
<hr/>								
Cash	(See Note 4 on page 18)							
Passbook/Checking (not included in yield calculations)	-799,902.53	-799,902.53	-799,902.53		0	0	0.000	0.000
Total Cash and Investments	160,396,564.22	159,887,826.55	160,242,014.22		248	104	1.262	1.280

Total Earnings	January 26 Month Ending	Fiscal Year To Date
Current Year	162,184.95	968,783.07
Average Daily Balance	183,504,948.73	151,838,122.10
Effective Rate of Return	1.24%	1.11%

"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, 2017. 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 Jakubak, Treasurer

2/2/18

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 160,242,014.22
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (206,003.82)
Total	\$ 160,036,010.40

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
January 26, 2018

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			3,196,466.75	3,196,466.75	3,196,466.75	0.810	0.810	1	
Subtotal and Average			11,110,782.74		3,196,466.75	3,196,466.75	3,196,466.75		0.810	1	
Federal Agency Coupon Securities											
3133EFJP3	869	Federal Farm Credit Bank (Callable Anytime)		10/15/2015	10,000,000.00	9,948,200.00	10,000,000.00	1.100	1.054	261	10/15/2018
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,900,320.00	7,000,000.00	1.180	1.375	551	08/01/2019
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	8,995,680.00	9,000,000.00	1.100	1.065	55	03/23/2018
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,926,020.00	9,000,000.00	1.625	1.518	636	10/25/2019
Subtotal and Average			35,000,000.00		35,000,000.00	34,770,220.00	35,000,000.00		1.240	362	
Federal Agency Disc. -Amortizing											
313589SW4	928	Fed Natl Mtg Assoc		12/20/2017	9,000,000.00	8,996,400.00	8,995,970.00	1.240	1.277	13	02/09/2018
313589TL7	929	Fed Natl Mtg Assoc		12/20/2017	9,000,000.00	8,991,810.00	8,991,495.00	1.260	1.298	27	02/23/2018
313385VE3	931	Fed Home Loan Bank		12/20/2017	9,000,000.00	8,976,060.00	8,977,057.50	1.330	1.373	69	04/06/2018
313385WY8	933	Fed Home Loan Bank		01/11/2018	9,000,000.00	8,959,410.00	8,960,595.00	1.420	1.467	111	05/18/2018
313385XN1	934	Fed Home Loan Bank		01/11/2018	9,000,000.00	8,951,760.00	8,955,312.50	1.430	1.478	125	06/01/2018
Subtotal and Average			55,585,443.94		45,000,000.00	44,875,440.00	44,880,430.00		1.378	69	
Treasury Discounts -Amortizing											
912796NU9	930	US Treasury Bill		12/20/2017	9,000,000.00	8,987,670.00	8,987,100.00	1.290	1.312	40	03/08/2018
912796PC7	932	US Treasury Bill		01/04/2018	6,000,000.00	5,978,040.00	5,977,920.00	1.380	1.406	96	05/03/2018
Subtotal and Average			17,345,482.98		15,000,000.00	14,965,710.00	14,965,020.00		1.349	62	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			63,000,000.00	62,879,892.33	63,000,000.00	1.239	1.239	1	
Subtotal and Average			64,463,239.06		63,000,000.00	62,879,892.33	63,000,000.00		1.239	1	
Total and Average			183,504,948.73		161,196,466.75	160,887,729.08	161,041,916.75		1.280	104	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
January 26, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10033	10033	Revolving Fund		07/01/2017	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2017	-819,902.53	-819,902.53	-819,902.53	(See Note 4 on page 18)	0.000	1
		Average Balance	0.00							0
Total Cash and Investments			183,504,948.73		160,396,564.22	159,887,826.55	160,242,014.22		1.280	104

(This Page Intentionally Left Blank)



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of January 27, 2018

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	(01/27/2018 - 01/27/2018)	4 Maturities	0 Payments	65,396,564.22	40.81%	65,396,564.22	65,276,456.55
Aging Interval: 1 - 30 days	(01/28/2018 - 02/26/2018)	2 Maturities	0 Payments	18,000,000.00	11.23%	17,987,465.00	17,988,210.00
Aging Interval: 31 - 60 days	(02/27/2018 - 03/28/2018)	2 Maturities	0 Payments	18,000,000.00	11.22%	17,987,100.00	17,983,350.00
Aging Interval: 61 - 91 days	(03/29/2018 - 04/28/2018)	1 Maturities	0 Payments	9,000,000.00	5.60%	8,977,057.50	8,976,060.00
Aging Interval: 92 - 121 days	(04/29/2018 - 05/28/2018)	2 Maturities	0 Payments	15,000,000.00	9.32%	14,938,515.00	14,937,450.00
Aging Interval: 122 - 152 days	(05/29/2018 - 06/28/2018)	1 Maturities	0 Payments	9,000,000.00	5.59%	8,955,312.50	8,951,760.00
Aging Interval: 153 - 183 days	(06/29/2018 - 07/29/2018)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(07/30/2018 - 10/28/2018)	1 Maturities	0 Payments	10,000,000.00	6.24%	10,000,000.00	9,948,200.00
Aging Interval: 275 - 365 days	(10/29/2018 - 01/27/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(01/28/2019 - 01/26/2021)	2 Maturities	0 Payments	16,000,000.00	9.98%	16,000,000.00	15,826,340.00
Aging Interval: 1096 days and after	(01/27/2021 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		15 Investments	0 Payments		100.00	160,242,014.22	159,887,826.55



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2017 includes a decrease of (\$68,353) to the LAIF investment and a decrease of (\$137,651) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

GLOSSARY

INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yield. Rate of return on a bond.

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

ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 14, 2018

Agenda Item No. 4B
Discussion Calendar

Second Quarter Financial Newsletter

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Tricia Jakubiak, Treasurer	triciajakubiak@ocfa.org	714.573.6301
Deborah Gunderson, Budget Manager	deborahgunderson@ocfa.org	714.573.6302

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 second quarter of FY 2017/18.

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 February 22, 2018, 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 are within budgetary expectations for this reporting period. Any notable items are detailed in the attached newsletter.

Attachment(s)

Second Quarter Financial Newsletter – July to December 2017



Orange County Fire Authority

Second Quarter Financial Newsletter – July 2017 to December 2017

OVERVIEW

This report covers fiscal activities in the General Fund and CIP Funds through the second quarter of Fiscal Year 2017/18. Budget figures include all budget adjustments authorized by the Board through the end of the second quarter.

GENERAL FUND

With 50% of the year completed, General Fund revenues are 55.9% of budget and expenditures are 53.8% as shown below:

General Fund	YTD Actual	Budget	Percent
Revenues	205,829,636	368,377,279	55.9%
Expenditures	195,164,179	362,577,592	53.8%

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

Top Five Revenues	YTD Actual Receipts	Trended YTD Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Property Taxes	133,912,201	133,170,718	741,483	1%
Cash Contracts	54,053,761	54,118,152	(64,391)	0%
State Reimbursements	8,849,856	1,486,667	7,363,189	83%
Miscellaneous	2,817,683	1,307,505	1,510,179	54%
Community Risk Reduction Fees	2,709,267	2,672,890	36,377	1%
Total	202,342,768	192,755,932	9,586,836	5%

- **State Reimbursements** – This category is trending higher than budget estimates by 83%, or approximately \$7.4 million, due to greater emergency activity and the associated Assistance by Hire reimbursements. This category will be included in the Mid-Year Budget adjustment.
- **Miscellaneous** – this category exceeds estimates by 54% or approximately \$1.5 million. This is due to an unbudgeted credit for the trade-in of the Zoll defibrillator monitors, as well as a \$2.3 million payment from the Firefighter Medical Trust. These areas will be adjusted at Mid-Year.

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

Expenditures by Department	YTD Actual Expenditures	Trended Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Business Services	24,929,586	24,914,500	15,086	0%
Community Risk Reduction	8,556,451	7,628,140	928,311	11%
Executive Management	6,077,003	6,086,815	(9,812)	0%
Operations	137,314,590	126,947,500	10,367,090	8%
Organizational Planning	3,095,491	2,652,345	443,146	14%
Support Services	17,389,241	17,728,991	(339,750)	-2%
Total	197,362,362	185,958,291	11,404,071	6%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Community Risk Reduction, Operations and Organizational Planning** – These departments are trending over budget estimates due to extraordinary overtime/backfill usage from Assistance by Hire deployments in the first half of the year. The overtime/backfill budget will be adjusted at mid-year. These departments are otherwise within budgetary expectations.

Expenditures by type are outlined below, with exception details below:

Expenditures by Type	YTD Actual Expenditures	Trended Budget Estimate	Variance: Actual to Estimate in Dollars	% Variance
Salary & Employee Benefits	180,944,171	168,976,011	11,968,160	7%
Services and Supplies	16,114,095	16,874,380	(760,285)	-5%
Equipment	304,096	107,900	196,196	65%
Total	197,362,363	185,958,291	11,404,072	6%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Salary & Employee Benefits** – This category is trending above budget estimates by approximately \$12 million or 7%. This is primarily due to overtime expenditures for Assistance by Hire emergency activity. The overtime budget will be adjusted at Mid-Year and staff will continue to review this category through the remainder of the year.
- **Equipment** – Actual expenditures through the second quarter finished approximately \$196,000 or 65% over estimates. This is primarily as a result of the budget for the purchases being placed in the Supplies category rather than Equipment. This will be corrected at Mid-Year.

CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS

On the following page, revenues and expenditures for the CIP funds are summarized. Any variances are noted following the fund table:

General Fund CIP

Fund 12110	YTD Actual	Budget	Percent
Expenditures	1,588,543	3,111,074	51%

- This Fund receives transfers from the General Fund as its revenue source.
- Appropriations of \$1.2M included funding for replacement of small equipment, such as pagers, PCs, laptops, printers, 800 MHz radios, VHF radios, MDC system, fire station telephone/alarm system upgrade, network servers, and data storage. \$1.3M was rebudgeted from FY 2016/17 to FY 2017/18, which included \$350K for Emergency Command Center upgrade and remote cameras on the County Tower. During the year, the Board approved additional appropriation of about \$666K for extrication rescue tools.
- Year-to-date (YTD) Expenditures of about 51.1% included the purchase orders issued for two projects: \$666K issued for the purchase of extrication tools, and \$257K related to fire station telephone/alarm sound system upgrades. In addition, \$233K was expended for remote cameras on the County Tower, \$147K for PCs, laptops, tablets and printers, \$92K for network, servers, and \$83K for VHF radios.

Fire Stations and Facilities

Fund 123	YTD Actual	Budget	Percent
Revenue	1,311,726	309,306	424.1%
Expenditures	163,596	9,914,115	1.7%

- Revenues exceeded the budget due to the receipt of unbudgeted developer contributions as well as higher than projected bankruptcy loss recovery.
- Appropriations of \$2M included funding for replacement of Fire Station 9, US&R warehouse improvements, infrastructure enhancements, and site stabilization at Fire Station 42. In addition, \$7.5M was rebudgeted from FY 2016/7 to FY 2017/18 for the replacement of Fire Station 10, and \$100K for the vehicle sheds at Fire Station 18.
- Minimal expenditures occurred through the second quarter as contracts for major items like Fire Station 10 replacement, Fire Station 9 replacement and Fire Station 42 site stabilization, had not yet been awarded. YTD expenditure of about \$148K was for improvements to the US&R Warehouse.

Communications & Info. Systems Replacement

Fund 124	YTD Actual	Budget	Percent
Revenue	281,559	323,152	87.1%
Expenditures	320,108	5,640,297	5.7%

- Revenues are comprised primarily of bankruptcy loss recovery proceeds.
- Appropriations of \$3.8M included funding for Regional Fire Operations and Training Center Data Center Fire Suppression system upgrade, the OCFA Disaster Recovery Co-Location Facility, CRR Automation-IFP Replacement, Incident Reporting

Application Replacement and the Next Generation CAD2CAD projects. Approximately \$1.9M in projects were rebudgeted from FY 2016/17 to FY 2017/18, which included the 800 MHz Replacement, Audio Video Equipment Upgrades, and the unspent portions of the IFP Replacement and Incident Reporting Application Replacement projects.

- YTD expenditures were only about 5.7% as most projects were still in planning stages through the second quarter.

Fire Apparatus

Fund 133	YTD Actual	Budget	Percent
Revenue	983,678	1,677,430	58.6%
Expenditures	5,410,045	11,435,499	47.3%

- Actual revenue includes the quarterly Cash Contract payments for vehicle depreciation, and higher than projected bankruptcy loss recovery proceeds.
- About \$10M was appropriated for FY 2017/18, and \$1.4M rebudgeted from FY 2016/17 to FY 2017/18. The major expenditures were two quarterly lease payments on the helicopters. In addition, a purchase order was encumbered for seven Type-1 Engines for over \$4.0M.

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 Deborah Gunderson, Budget Manager at 714-573-6302, or Tricia Jakubiak, Treasurer at 714-573-6301.