



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, July 10, 2019

12:00 Noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Shelley Hasselbrink, Chair

Don Sedgwick, Vice Chair

Sergio Farias Gene Hernandez Joe Muller Ed Sachs Tri Ta

Jennifer Cervantez - 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 Director Sachs

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.

2. MINUTES

A. Minutes for the May 8, 2019, Budget and Finance Committee 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: Tricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of July 25, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Agreement for the Purchase of Two Used Pickup Trucks from the City of Garden Grove

Submitted by: Jim Ruane, Assistant Chief/Logistics Department

Recommended Action:

Approve and authorize the Purchasing Manager to execute a Purchase Agreement with the City of Garden Grove for the purchase of two 2017 Ford F-250 pickup trucks not to exceed \$70,000 per vehicle.

C. Organizational Service Level Assessment Update

Submitted by: Robert Cortez, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, August 14, 2019, 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 3rd day of July 2019.

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

UPCOMING MEETINGS:

Executive Committee Meeting

Thursday, July 25, 2019, 5:30 p.m.

Board of Directors Meeting

Thursday, July 25, 2019, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Regular Meeting

Wednesday, May 8, 2019

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 May 8, 2019, at 12:00 p.m. by Chair Hasselbrink.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Shelley Hasselbrink, Los Alamitos
Don Sedgwick, Laguna Hills
Sergio Farias, San Juan Capistrano
Gene Hernandez, Yorba Linda
Joseph Muller, Dana Point
Tri Ta, Westminster

Absent: Ed Sachs, Mission Viejo

Also present were:

Fire Chief Brian Fennessy
Deputy Chief Lori Zeller
Deputy Chief Dave Anderson
General Counsel David Kendig

Assistant Chief Randy Black
Assistant Chief Robert Cortez
Assistant Chief Jim Ruane
Clerk of the Authority Sherry Wentz

PUBLIC COMMENTS (F: 12.02B3)

Chair Hasselbrink opened the Public Comments portion of the meeting. Chair Hasselbrink 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 April 10, 2019, Budget and Finance Committee Regular Meeting (F: 12.02B2)

On motion of Director Farias and second by Director Hernandez, the Budget and Finance Committee voted unanimously to approve the Minutes of the April 10, 2019, regular meeting as submitted. Director Ta was recorded as an abstention, due to his absence from the meeting.

3. CONSENT CALENDAR

A. Monthly Investment Report (F: 11.10D2)

On motion of Director Hernandez and second by Vice Chair Sedgwick, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of May 23, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Third Quarter Financial Newsletter (F: 15.07)

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

4. DISCUSSION CALENDAR

A. Updated Cost Reimbursement Rates (F: 15.12)

Assistant Chief Jim Ruane provided an overview for the Updated Cost Reimbursement Rates.

On motion of Vice Chair Sedgwick and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors approve and adopt the proposed Cost Reimbursement Rate schedules to be effective July 1, 2019.

B. Rosenow Spevacek Group, Inc. Final Property Tax Revenue Projections (F: 15.10)

Assistant Chief Robert Cortez provided an overview of the Final Property Tax Revenue Projections. Chief Cortez introduced Senior Accountant Alma Penalosa who presented a PowerPoint presentation on the Secured Property Tax Revenue Forecast.

By consensus, the Committee received and filed the report.

C Review of the Fiscal Year 2019/20 Proposed Budget (F: 15.04 19/20)

Deputy Chief Lori Zeller provided a PowerPoint presentation outlining the proposed budget. Chief Jim Ruane highlighted the Capital Improvement Program portion of the presentation.

On motion of Director Ta and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of May 23, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Conduct a Public Hearing.
2. Adopt the proposed FY 2019/20 Budget as submitted.
3. Adopt the resolution entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS ADOPTING AND APPROVING THE APPROPRIATIONS BUDGET FOR THE ORANGE COUNTY FIRE AUTHORITY FOR FISCAL YEAR 2019/20.
4. Approve and authorize the temporary transfer of up to \$75 million from the following funds to cover a projected temporary cash flow shortfall for FY 2019/20:
 - a. Fund 123 Fire Stations and Facilities - \$10 million
 - b. Fund 133 Fire Apparatus - \$10 million
 - c. Fund 190 Workers' Compensation Reserve Fund - \$55 million
5. Approve and authorize the repayment of \$75 million borrowed funds from Fund 121 to the above funds along with interest when General Fund revenues become available in FY 2019/20.
6. Approve changes to the Master Position Control list to unfreeze, reclassify and/or add 127 positions as detailed in Attachment 3.
7. Approve transfers from the General Fund 121 and Fund 123 Fire Stations and Facilities to General Fund CIP Fund 12110, Fund 133 Fire Apparatus, and Fund 139 Settlement Agreement totaling \$36,568,000.
8. Approve and authorize FY 2018/19 budget adjustments to increase General Fund (121) revenues by net \$145,770 and General Fund (121) expenditures by \$38,014.

REPORTS (F: 12.02B6)

No items.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

There were no Committee Member comments.

ADJOURNMENT – Chair Hasselbrink adjourned the meeting at 1:03 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, June 12, 2019, 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
July 10, 2019

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 July 25, 2019, 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 May 31, 2019. A preliminary investment report as of June 21, 2019, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – May 2019/Preliminary Report – June 2019

Orange County Fire Authority Monthly Investment Report



Final Report – May 2019

Preliminary Report – June 2019



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Orange County Fire Authority

Final Investment Report

May 31, 2019



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of May 2019, the size of the portfolio reversed and decreased by \$21.2 million to \$190.5 million. Significant receipts for the month included various apportionments of property taxes, intergovernmental contract and grant payments, a cash contract payment and other charges for current services totaling \$16.9 million. Significant disbursements for the month included primarily three biweekly payrolls (instead of the typical two per month) which were approximately \$11.0 million each with related benefits. Significant disbursements also included a \$2.9 million payment for fire apparatus. Total May cash outflows amounted to approximately \$39.1 million. The portfolio's balance is expected to decrease further in June as there are no major receipts scheduled for the month.

In May, the portfolio's yield to maturity (365-day equivalent) declined by 3 basis points to 2.33%. The effective rate of return, on the other hand, increased by 1 basis point to 2.32% for the month and by 2 basis points to 2.17% for the fiscal year to date. The average maturity of the portfolio shortened by 13 days to 52 days to maturity.

Economic News

The U.S. economy continued to stay strong in May 2019. Although the May 2019 employment report came in weaker than expected, overall employment conditions remained solid. There were only a total of 75,000 new jobs created in May while a consensus had expected a much higher number. However, the unemployment rate remained at a 50-year historically low rate of 3.6%. In addition, retail sales increased in May and April was revised to reflect an increase instead of a decline. Consumer confidence measures climbed and stayed high. Manufacturing activity declined slightly while the non-manufacturing sector picked up. Both industrial production and durable goods orders reversed and increased in May. The CPI (Consumer Price Index) edged up slightly and stayed low under 2.0%. Housing activity was mixed. On June 19, 2019, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at the target range of 2.25% - 2.50% and continued to view the overall economy to be strong, albeit they noted increased uncertainties.

**BENCHMARK COMPARISON AS OF MAY 31, 2019**

3 Month T-Bill: 2.40%

1 Year T-Bill: 2.34%

6 Month T-Bill: 2.42%

LAIF: 2.45%

OCFA Portfolio: 2.32%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value-</i>	\$190,479,258	\$211,723,024	\$201,451,392
<i>Yield to Maturity (365 day)</i>	2.33%	2.36%	1.70%
<i>Effective Rate of Return</i>	2.32%	2.31%	1.68%
<i>Days to Maturity</i>	52	65	84



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
May 31, 2019

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	15,580,443.09	15,580,443.09	15,580,443.09	8.19	1	1	1.884	1.910
Federal Agency Coupon Securities	25,000,000.00	24,975,460.00	25,000,000.00	13.15	890	120	1.814	1.839
Federal Agency Disc. -Amortizing	66,000,000.00	65,627,120.00	65,611,505.83	34.51	135	89	2.436	2.470
Treasury Discounts -Amortizing	19,000,000.00	18,939,340.00	18,935,052.00	9.96	117	52	2.398	2.432
Local Agency Investment Funds	65,000,000.00	65,009,552.01	65,000,000.00	34.19	1	1	2.415	2.449
Investments	190,580,443.09	190,131,915.10	190,127,000.92	100.00%	176	52	2.298	2.330
Cash								
Passbook/Checking (not included in yield calculations)	720,750.55	720,750.55	720,750.55		1	1	0.000	0.000
Total Cash and Investments	191,301,193.64	190,852,665.65	190,847,751.47		176	52	2.298	2.330

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	391,722.73	3,101,526.36
Average Daily Balance	198,582,326.64	155,873,299.85
Effective Rate of Return	2.32%	2.17%

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak
 Patricia Jakubiak, Treasurer

6/7/19

Cash and Investments with GASB 31 Adjustment:

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

\$ 190,847,751.47

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

\$ (368,493.66)

Total

\$ 190,479,257.81

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

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			15,580,443.09	15,580,443.09	15,580,443.09	1.910	1.910	1	
Subtotal and Average			10,191,546.20		15,580,443.09	15,580,443.09	15,580,443.09		1.910	1	
Federal Agency Coupon Securities											
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,987,610.00	7,000,000.00	1.180	1.375	61	08/01/2019
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,974,710.00	9,000,000.00	1.625	1.518	146	10/25/2019
3134GTJX20	976	Fed Home Loan Mtg Corp (Callable on 10-18-19)		04/22/2019	9,000,000.00	9,013,140.00	9,000,000.00	2.520	2.520	139	10/18/2021
Subtotal and Average			25,000,000.00		25,000,000.00	24,975,460.00	25,000,000.00		1.839	120	
Federal Agency Disc. -Amortizing											
313312QH6	977	Federal Farm Credit Bank		04/18/2019	9,000,000.00	8,889,300.00	8,885,280.00	2.390	2.489	192	12/10/2019
313384HL6	968	Fed Home Loan Bank		04/02/2019	10,000,000.00	9,983,800.00	9,982,187.50	2.375	2.456	27	06/28/2019
313384JA8	969	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,977,230.00	8,975,553.75	2.385	2.466	41	07/12/2019
313384JQ3	970	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,969,040.00	8,967,068.75	2.395	2.478	55	07/26/2019
313384KE8	971	Fed Home Loan Bank		04/18/2019	2,000,000.00	1,991,260.00	1,990,838.33	2.390	2.475	69	08/09/2019
313384KU2	972	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,952,390.00	8,950,407.50	2.390	2.478	83	08/23/2019
313384LY3	974	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,936,010.00	8,934,232.50	2.370	2.461	111	09/20/2019
313384MN6	975	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,928,090.00	8,925,937.50	2.370	2.464	125	10/04/2019
Subtotal and Average			70,789,419.22		68,000,000.00	65,627,120.00	65,611,505.83		2.470	89	
Treasury Coupon Securities											
Subtotal and Average			8,705,150.47								
Treasury Discounts -Amortizing											
912796RU5	966	US Treasury Bill		03/07/2019	6,000,000.00	5,996,220.00	5,995,228.00	2.386	2.435	12	06/13/2019
912796RU5	967	US Treasury Bill		03/12/2019	4,000,000.00	3,997,480.00	3,996,824.00	2.382	2.430	12	06/13/2019
912796SG5	973	US Treasury Bill		04/18/2019	9,000,000.00	8,945,640.00	8,943,000.00	2.375	2.430	96	09/05/2019
Subtotal and Average			18,916,210.75		19,000,000.00	18,939,340.00	18,935,052.00		2.432	52	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	65,009,552.01	65,000,000.00	2.449	2.449	1	
Subtotal and Average			65,000,000.00		65,000,000.00	65,009,552.01	65,000,000.00		2.449	1	

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

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Total and Average			198,582,326.64		190,580,443.09	190,131,915.10	190,127,000.92		2.330	52

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

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		07/01/2018	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2018	700,750.55	700,750.55	700,750.55		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			198,582,326.64		191,301,193.64	190,852,665.65	190,847,751.47		2.330	52



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

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(06/01/2019 - 06/01/2019)	4 Maturities	0 Payments	81,301,193.64	42.60%	81,301,193.64	81,310,745.65
Aging Interval:	1 - 30 days	(06/02/2019 - 07/01/2019)	3 Maturities	0 Payments	20,000,000.00	10.47%	19,974,239.50	19,977,500.00
Aging Interval:	31 - 60 days	(07/02/2019 - 07/31/2019)	2 Maturities	0 Payments	18,000,000.00	9.40%	17,942,622.50	17,946,270.00
Aging Interval:	61 - 91 days	(08/01/2019 - 08/31/2019)	3 Maturities	0 Payments	18,000,000.00	9.40%	17,941,245.83	17,931,260.00
Aging Interval:	92 - 121 days	(09/01/2019 - 09/30/2019)	2 Maturities	0 Payments	18,000,000.00	9.37%	17,877,232.50	17,881,650.00
Aging Interval:	122 - 152 days	(10/01/2019 - 10/31/2019)	2 Maturities	0 Payments	18,000,000.00	9.39%	17,925,937.50	17,902,800.00
Aging Interval:	153 - 183 days	(11/01/2019 - 12/01/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(12/02/2019 - 03/01/2020)	1 Maturities	0 Payments	9,000,000.00	4.66%	8,885,280.00	8,889,300.00
Aging Interval:	275 - 365 days	(03/02/2020 - 05/31/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(06/01/2020 - 05/31/2022)	1 Maturities	0 Payments	9,000,000.00	4.72%	9,000,000.00	9,013,140.00
Aging Interval:	1096 days and after	(06/01/2022 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			18 Investments	0 Payments		100.00	190,847,751.47	190,852,665.65



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, 2018 includes a decrease of (\$121,754) to the LAIF investment and a decrease of (\$246,740) 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 May 31, 2019, OCFA has \$65,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2019 is 1.000146954. When applied to OCFA's LAIF investment, the fair value is \$65,009,552 or \$9,552 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at May 31, 2019 is included on the following page.



Fair Value Including Accrued Interest	\$	95,978,378,396.75
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Orange County Fire Authority
Preliminary Investment Report
June 21, 2019



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
June 21, 2019

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

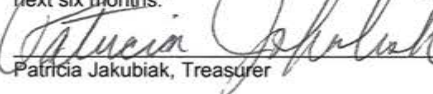
(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	11,245,687.59	11,245,687.59	11,245,687.59	6.05	1	1	1.884	1.910
Federal Agency Coupon Securities	25,000,000.00	24,991,980.00	25,000,000.00	13.45	890	99	1.814	1.839
Federal Agency Disc. -Amortizing	66,000,000.00	65,745,910.00	65,703,223.34	35.36	135	68	2.436	2.470
Treasury Discounts -Amortizing	19,000,000.00	18,882,310.00	18,866,454.86	10.15	153	112	2.311	2.343
Local Agency Investment Funds	65,000,000.00	65,009,552.01	65,000,000.00	34.98	1	1	2.415	2.449
Investments	186,245,687.59	185,875,439.60	185,815,365.79	100.00%	183	49	2.299	2.331
Cash								
Passbook/Checking (not included in yield calculations)	793,883.73	793,883.73	793,883.73		1	1	0.000	0.000
Total Cash and Investments	187,039,571.32	186,669,323.33	186,609,249.52		183	49	2.299	2.331

Total Earnings	June 21 Month Ending	Fiscal Year To Date
Current Year	253,966.96	3,355,493.32
Average Daily Balance	191,685,013.10	157,985,788.55
Effective Rate of Return	2.30%	2.18%

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."


Patricia Jakubiak, Treasurer

6/27/19

Cash and Investments with GASB 31 Adjustment:

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

\$ 186,609,249.52

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

\$ (368,493.66)

Total

\$ 186,240,755.86

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
June 21, 2019

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			11,245,687.59	11,245,687.59	11,245,687.59	1.910	1.910	1	
Subtotal and Average			12,401,645.56		11,245,687.59	11,245,687.59	11,245,687.59		1.910	1	
Federal Agency Coupon Securities											
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,993,420.00	7,000,000.00	1.180	1.375	40	08/01/2019
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,982,810.00	9,000,000.00	1.625	1.518	125	10/25/2019
3134GTJX20	976	Fed Home Loan Mtg Corp (Callable on 10-18-19)		04/22/2019	9,000,000.00	9,015,750.00	9,000,000.00	2.520	2.520	118	10/18/2021
Subtotal and Average			25,000,000.00		25,000,000.00	24,991,980.00	25,000,000.00		1.839	99	
Federal Agency Disc. -Amortizing											
313312QH6	977	Federal Farm Credit Bank		04/18/2019	9,000,000.00	8,915,490.00	8,997,827.50	2.390	2.489	171	12/10/2019
313384HL6	968	Fed Home Loan Bank		04/02/2019	10,000,000.00	9,997,500.00	9,996,041.67	2.375	2.456	6	06/28/2019
313384JA8	969	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,990,100.00	8,988,075.00	2.385	2.466	20	07/12/2019
313384JQ3	970	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,982,360.00	8,979,642.50	2.395	2.478	34	07/26/2019
313384KE8	971	Fed Home Loan Bank		04/18/2019	2,000,000.00	1,994,380.00	1,993,626.67	2.390	2.475	48	08/09/2019
313384KU2	972	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,966,970.00	8,962,955.00	2.390	2.478	62	08/23/2019
313384LY3	974	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,952,660.00	8,946,675.00	2.370	2.461	90	09/20/2019
313384MN6	975	Fed Home Loan Bank		04/18/2019	9,000,000.00	8,946,450.00	8,938,380.00	2.370	2.464	104	10/04/2019
Subtotal and Average			65,859,548.33		66,000,000.00	65,745,910.00	65,703,223.34		2.470	68	
Treasury Discounts -Amortizing											
912796SG5	973	US Treasury Bill		04/18/2019	9,000,000.00	8,962,110.00	8,955,468.75	2.375	2.430	75	09/05/2019
912796SS9	978	US Treasury Bill		06/03/2019	10,000,000.00	9,920,200.00	9,910,986.11	2.210	2.263	145	11/14/2019
Subtotal and Average			23,623,819.21		19,000,000.00	18,882,310.00	18,866,454.86		2.343	112	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	65,009,552.01	65,000,000.00	2.449	2.449	1	
Subtotal and Average			65,000,000.00		65,000,000.00	65,009,552.01	65,000,000.00		2.449	1	
Total and Average			191,685,013.10		186,245,687.59	185,875,439.60	185,815,365.79		2.331	49	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
June 21, 2019

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		07/01/2018	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2018	773,883.73	773,883.73	773,883.73		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			191,685,013.10		187,039,571.32	186,669,323.33	186,609,249.52		2.331	49

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of June 22, 2019

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

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 0 days	(06/22/2019 - 06/22/2019)	4 Maturities	0 Payments	77,039,571.32	41.28%	77,039,571.32	77,049,123.33
Aging Interval: 1 - 30 days	(06/23/2019 - 07/22/2019)	2 Maturities	0 Payments	19,000,000.00	10.17%	18,984,116.67	18,987,600.00
Aging Interval: 31 - 60 days	(07/23/2019 - 08/21/2019)	3 Maturities	0 Payments	18,000,000.00	9.63%	17,973,269.17	17,970,160.00
Aging Interval: 61 - 91 days	(08/22/2019 - 09/21/2019)	3 Maturities	0 Payments	27,000,000.00	14.40%	26,865,098.75	26,881,740.00
Aging Interval: 92 - 121 days	(09/22/2019 - 10/21/2019)	1 Maturities	0 Payments	9,000,000.00	4.79%	8,938,380.00	8,946,450.00
Aging Interval: 122 - 152 days	(10/22/2019 - 11/21/2019)	2 Maturities	0 Payments	19,000,000.00	10.13%	18,910,986.11	18,903,010.00
Aging Interval: 153 - 183 days	(11/22/2019 - 12/22/2019)	1 Maturities	0 Payments	9,000,000.00	4.77%	8,897,827.50	8,915,490.00
Aging Interval: 184 - 274 days	(12/23/2019 - 03/22/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(03/23/2020 - 06/21/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(06/22/2020 - 06/21/2022)	1 Maturities	0 Payments	9,000,000.00	4.82%	9,000,000.00	9,015,750.00
Aging Interval: 1096 days and after	(06/22/2022 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		17 Investments	0 Payments		100.00	186,609,249.52	186,669,323.33



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, 2018 includes a decrease of (\$121,754) to the LAIF investment and a decrease of (\$246,740) 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 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 Meeting
July 10, 2019

Agenda Item No. 4B
Discussion Calendar

**Agreement for the Purchase of Two Used
Pickup Trucks from the City of Garden Grove**

Contacts for Further Information

Jim Ruane, Assistant Chief
Logistics Department

jimruane@ocfa.org

714.573.6801

Summary

This agenda item is submitted for approval to enter into a Purchase Agreement with the City of Garden Grove for the purchase of two 2017 Ford F-250 pickup trucks for utilization by the OCFA Crews and Equipment Program.

RECOMMENDED ACTIONS

Approve and authorize the Purchasing Manager to execute a Purchase Agreement with the City of Garden Grove for the purchase of two 2017 Ford F-250 pickup trucks not to exceed \$70,000 per vehicle.

Impact to Cities/County

Not Applicable.

Fiscal Impact

An adjustment will be included with the FY 2019/20 Mid-year Budget to cover the purchase and tax/licensing costs associated with the sale of the vehicles to the OCFA.

Background

The OCFA needs vehicles for supporting wildfire mitigation efforts throughout the county. This function includes the transportation of personnel and equipment to project sites, including a slide-in pump and water tank. Currently, the City of Garden Grove's Fire Department has two 2017 Ford F-250 (3/4-ton 4x4) pickup trucks that were not included in the initial Garden Grove transition plan. These vehicles are available for purchase by the OCFA.

After evaluating the vehicles for utilization within the OCFA Crews and Equipment Program (for transportation of tools and equipment in the wildland environment) and comparing them to current available OCFA vehicles, staff has determined that there is a justifiable need to incorporate these vehicles into the OCFA fleet. Both trucks are turnkey, red, meet the requirements of the program, and are pre-outfitted with communications equipment. OCFA Fleet staff will perform the final preparation of the vehicles, including safety inspections and decal replacement.

Recommendation

Staff is recommending approval and authorization for the Purchasing Manager to execute a purchase agreement with the City of Garden Grove for the purchase of two 2017 Ford F-250 pick-up trucks not to exceed current low “blue book” value (\$40,000) plus estimated tax, license fees, and full outfitting of communications equipment \$30,000 for a not to exceed total of \$70,000 per vehicle.

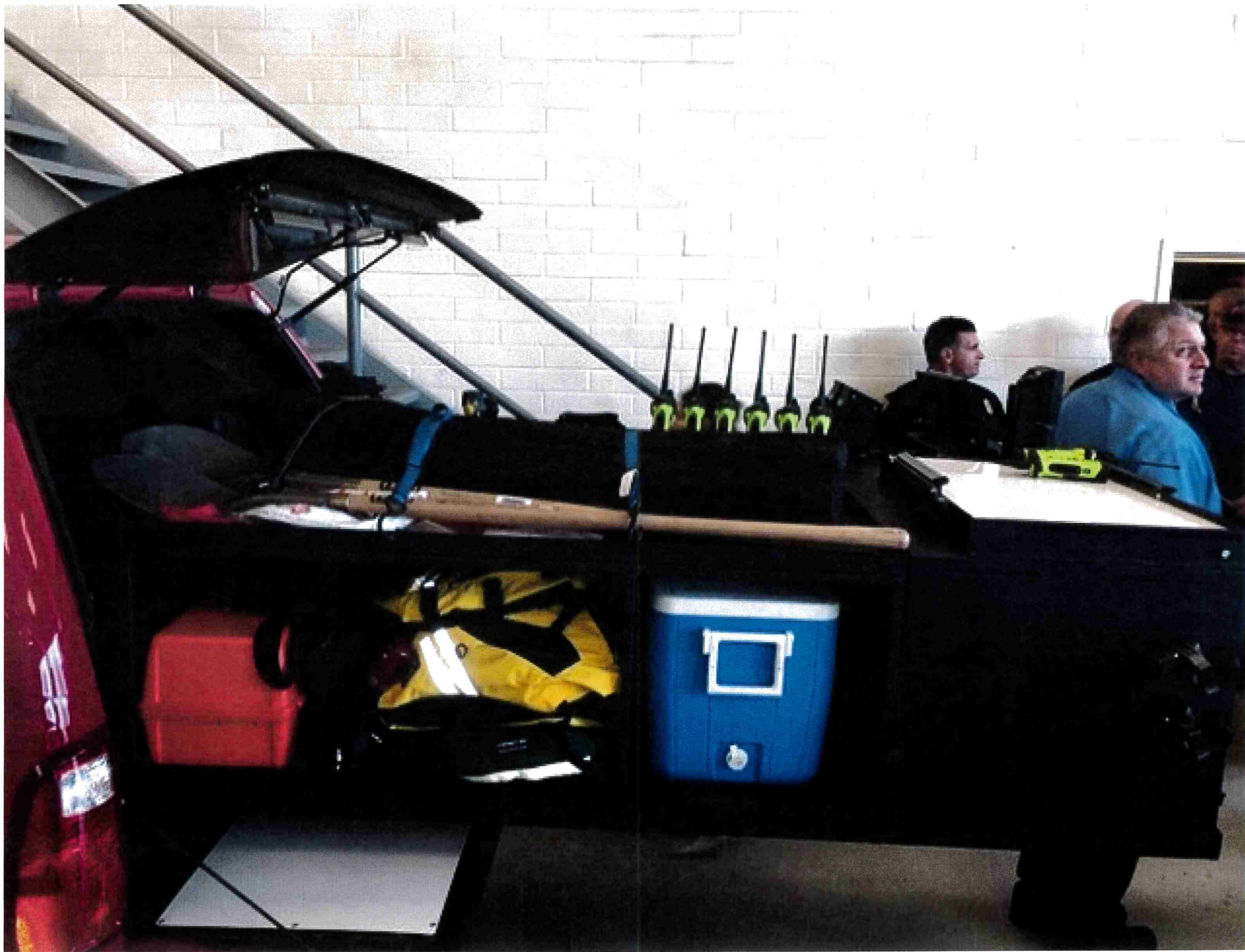
Attachments(s)

None.











Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
July 10, 2019

Agenda Item No. 4C
Discussion Calendar

Organizational Service Level Assessment Update

Contact(s) for Further Information

Robert Cortez, Assistant Chief
Business Services Department

robertcortez@ocfa.org

714.573.6012

Summary

This agenda item is submitted to provide an update of the Citygate Service Level Assessments (SLAs) for the period covering March through May of 2019.

Prior Board/Committee Action(s)

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

At its regular January 9, 2019, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of Citygate's scope of work, cost and budget.

At its regular January 24, 2019, meeting, the Board of Directors approved Citygate's initial scope of work, associated costs, and necessary budget adjustments for performance of SLAs in five areas of the OCFA during 2019.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

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

Five organizational SLA areas, also known as cost centers, were identified and approved for review during calendar year 2019. The five SLA areas include Emergency Command Center, Emergency Medical Services, Fleet Services, Field Deployment, and Executive Leadership Team/Human Resources. These assessments are intended to accomplish the same objectives as a strategic plan, but in smaller pieces, and allow for progress to be made on identified objectives, while other portions of the organization are still being assessed.

Each SLA evaluates, at a forensic data-driven level, the operational performance of the cost centers, not just compared to national and Citygate team best practices, but to the needs of the OCFA, its employees, and its agency customers. Each SLA will be a stand-alone assessment report, that will cover elements assessed, the operational metrics, and describe strengths and areas of opportunity.

The SLA process began with a series of kickoff meetings during February and March of 2019 in which OCFA assessment leads met with Citygate consultants, the Chief, and members of the Executive Management Team to discuss the assessment, process and timelines, leader's intent, initial data/information requests, and to begin the scheduling of future information gathering meetings. All five SLAs follow the same project process flow that begins with information requests and start up meetings and progressively move through data gathering, analysis, mid-project meetings, development of a draft report and final report, and briefings. Project completion dates differ for each of the SLA's; however, most are scheduled to be completed by October - November of 2019.

Since the kickoff meetings, Citygate has met with OCFA staff to gather the necessary data to perform its assessment. Currently all five SLA areas are in the data analysis portion of the project, as illustrated in the most recent monthly organizational update provided for the month of May. These monthly SLA updates (Attachment) are provided to OCFA employees and shared with labor in an effort inform the organization of the project's progress. Mid-project meetings to discuss initial observations are anticipated to occur during the months of July and August.

Regarding funding status, the Board approved a budget of \$700,725 to complete the 2019 Citygate SLA reviews. As of the date this staff report was prepared, OCFA has expended approximately 40% of the contract amount, which is well within budget.

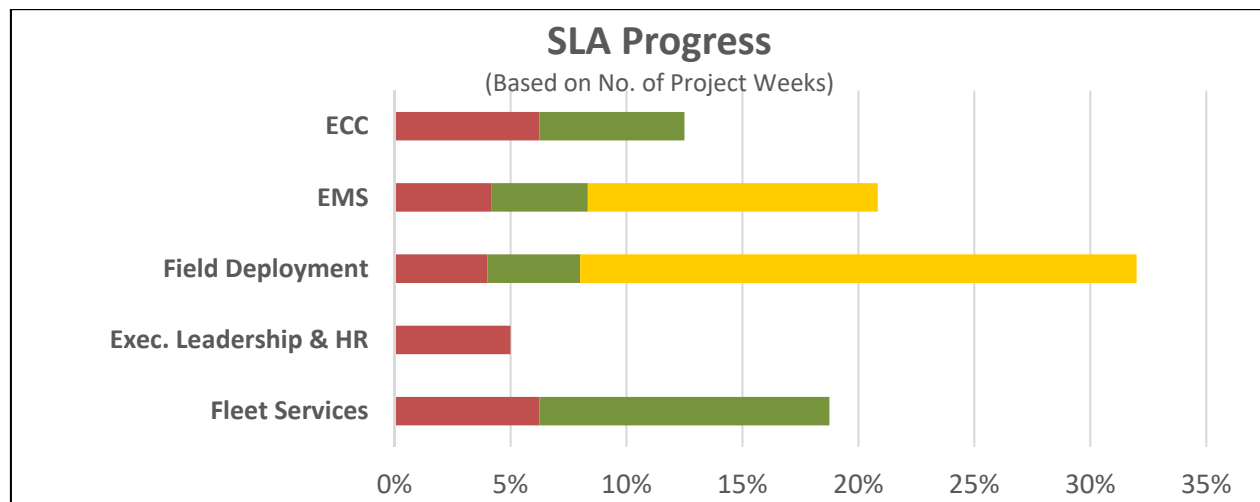
Attachment(s)

SLA Monthly Updates - March thru May 2019



Organizational Service Level Assessment (SLA) Update

As of March 31, 2019



Emergency Command Center (ECC)

Work Completed in March - Citygate received the requested background information and Mission Critical Partners (MCP) was on-site for their initial multi-day assessment visit the week of March 25th. Citygate also worked on an approach to the command center issues that are to be evaluated starting in April.

Work Scheduled in the Next Reporting Period - In April, MCP will conduct their data driven analysis and coordinate with Citygate. Additionally, Citygate will be on-site to begin their portion of the assessment.

Emergency Medical Services (EMS)

Work Completed in March - Conducted a kick-off meeting on March 4th and a conference call on the 28th with the EMS team. The EMS team began working on the background information request.

Work Scheduled in the Next Reporting Period - In April, Citygate will assist as needed with the background information request and also in conjunction with the Field Deployment SLA, obtain incident data for modelling.

Field Deployment

Work Completed in March - Conducted 2nd meeting on March 4th with OCFA's IT and GIS staff. Purchased the HERE GIS with traffic congestion data to build up the Fireview GIS model in April.

Work Scheduled in the Next Reporting Period - In April, Citygate will continue to collect data and build the incident statistics and GIS travel time coverage models.

Executive Leadership Team & Human Resources

Work Completed in March - Staff worked on information requests. By month's end, substantial progress was made on the Human Resources data.

Work Scheduled in the Next Reporting Period - In April, Citygate would like to schedule a start-up meeting on HR and discuss with OCFA's team the start-up on-site days that work for the Executive Team SLA.

Fleet Services

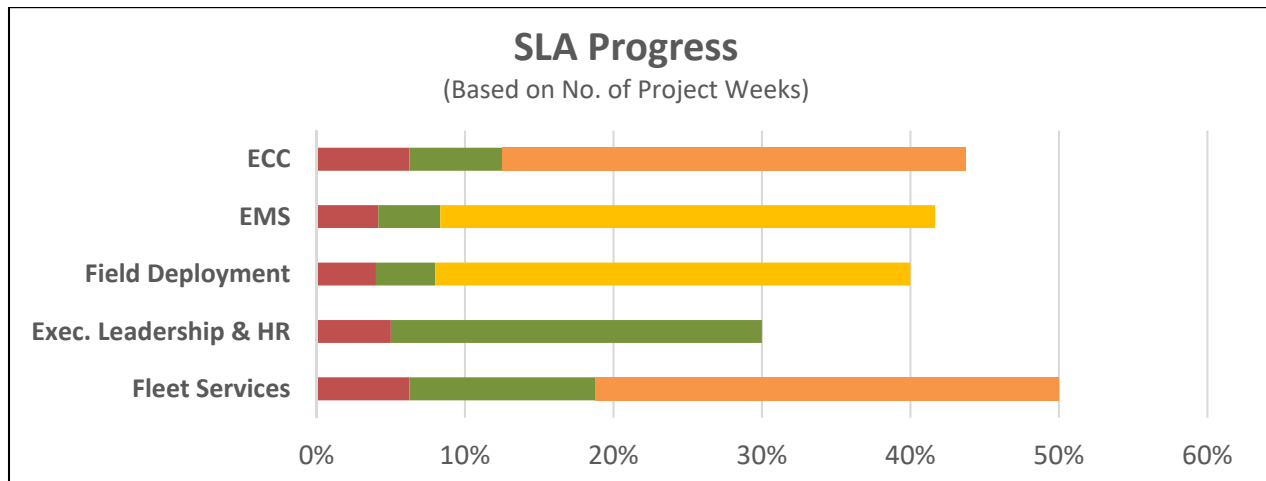
Work Completed in March - Citygate assessed background document information and conducted first on-site visit.

Work Scheduled in the Next Reporting Period - Citygate will continue analysis of the facts and follow-up as needed.



Organizational Service Level Assessment (SLA) Update

As of April 30, 2019



Emergency Command Center (ECC)

Work Completed in April - Citygate continued the assessment with preliminary observations and began the command center assessment portion of the project. Citygate also provided analytical support on trending ECC issues.

Work Scheduled in the Next Reporting Period – In May, MCP will continue its assessment and Citygate will continue its evaluation and support to the chief officer command team.

Emergency Medical Services (EMS)

Work Completed in April – OCFA staff proceeded with the background information request and also in conjunction with the Deployment SLA, Citygate obtained incident data for modeling.

Work Scheduled in the Next Reporting Period – In May, based on the receipt of background information, Citygate will review the information provided and schedule the first on-side listening interviews with EMS staff.

Field Deployment

Work Completed in April - Citygate worked on restoring incident data connections to the Fireview server and requested additional CAD information from the IT Division.

Work Scheduled in the Next Reporting Period – In May, Citygate will continue to build incident statistics and GIS travel time coverage models and assist staff with prelim Garden Grove unit placement analysis.

Executive Leadership Team & Human Resources

Work Completed in April - Citygate conducted most of the executive assessment interviews, received the HR background information, and held the first two days of on-site assessment interviews with HR staff.

Work Scheduled in the Next Reporting Period – In May, Citygate will conclude the initial executive team interviews and proceed with the HR analysis.

Fleet Services

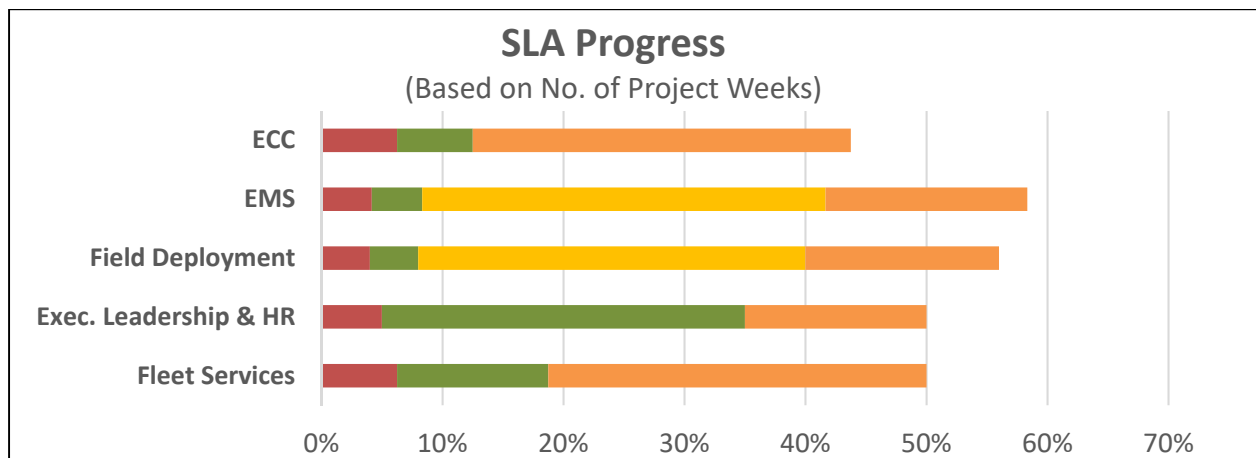
Work Completed in April - Citygate continued its analysis and follow-up as needed with the fleet team. Additionally, Citygate began to collect information on comparable agencies fleet staffing programs.

Work Scheduled in the Next Reporting Period – Citygate will continue its preliminary analysis and prepare a mid-project briefing.



Organizational Service Level Assessment (SLA) Update

As of May 31, 2019



Information Request

Start Up Meetings

Data Gathering

Analysis

Mid Project Meeting

Draft Report

Final Report & Briefings

Emergency Command Center (ECC)

Work Completed in May - MCP continued its assessment and Citygate continued its evaluation and support to the chief officer command team. Citygate provided analytical support on trending issues (i.e. medical dispatching).

Work Scheduled in the Next Reporting Period – In June, Citygate envisions MCP being prepared to conduct their Mid-Project draft findings and recommendations meeting.

Emergency Medical Services (EMS)

Work Completed in May – Citygate received all of the background information, reviewed it and scheduled the first on-site listening interviews for June. Citygate also participated in several conference calls and emails with the EMS team leadership on medical dispatching issues.

Work Scheduled in the Next Reporting Period – In June, Citygate will conduct the first on-site listening interviews with EMS staff and continue the dispatch support work.

Field Deployment

Work Completed in May – Citygate continued to build incident statistics and GIS travel time coverage models. Assisted staff with preliminary Irvine enhanced unit placement analysis. Started to obtain data and work with Metro Net on the auto aid balancing project. Conducted special analysis of the issues presented by the City of Placentia.

Work Scheduled in the Next Reporting Period – In June, Citygate will complete the incident statistics and GIS travel time coverage models and conduct the auto aid balancing analysis.

Executive Leadership Team & Human Resources

Work Completed in May - Citygate conducted most Executive Team interviews as well as on-site assessment interviews with HR staff. Provided HR related briefing to assist with the Director's recruitment.

Work Scheduled in the Next Reporting Period – In June, Citygate will conduct onsite Mid-Project Review on HR and complete the remaining Executive Team interviews.

Fleet Services

Work Completed in May – Citygate began collecting information on comparable agencies fleet staffing programs.

Work Scheduled in the Next Reporting Period – Citygate will complete survey of comparable-sized fire agency fleet services and coordinate with executive staff to schedule a Fleet Services preliminary findings briefing.



ORANGE COUNTY FIRE AUTHORITY

SUPPLEMENTAL AGENDA

**BUDGET AND FINANCE COMMITTEE
REGULAR MEETING
Wednesday, July 10, 2019
12:00 Noon**

**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 Board of Directors 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 Board, 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 Board. 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.

The following item is added to the above stated agenda in the location noted below. This item is posted in conformance with the Brown Act and is to be considered as part of the regular agenda.

4. DISCUSSION CALENDAR

D. Proposed Action to Reduce Extraordinary Volume of Forced Overtime Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau

Recommended Action:

Increase appropriations in the FY 2019/20 General Fund (121) Budget by \$1,721,846 to fund a third firefighter academy this fiscal year, specifically, an eight-week lateral firefighter/paramedic academy to run from September 13 through November 8, 2019.

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 5th day of July 2019.

Martha Halvorson, CMC
Assistant Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
July 10, 2019

Agenda Item No. 4D
Discussion Calendar

**Proposed Action to Reduce Extraordinary
Volume of Forced Overtime**

Contact(s) for Further Information

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Summary

This agenda item seeks funding to conduct an additional firefighter academy, intended to improve staffing and reduce the extraordinary volume of forced overtime activity occurring in the firefighter ranks.

Prior Board/Committee Action

Not applicable.

RECOMMENDED ACTION(S)

Increase appropriations in the FY 2019/20 General Fund (121) Budget by \$1,721,846 to fund a third firefighter academy this fiscal year, specifically, an eight-week lateral firefighter/paramedic academy to run from September 13 through November 8, 2019.

Impact to Cities/County

Completion of an additional firefighter academy this fiscal year will enable OCFA to maximize the number of firefighters and firefighter/paramedics hired from the current firefighter eligibility list, which will allow vacant positions to be filled through regular work schedules rather than forcing existing firefighters to work extraordinary overtime to fill the vacant shifts. There will be no increase to Cash Contract city charges as a result of this additional academy.

Fiscal Impact

An expenditure increase of \$1,721,846 is requested in the FY 2019/20 General Fund Budget to fund the additional academy.

Background

The OCFA maintains constant staffing levels, which means that every day, all authorized Operations post-positions are staffed. Constant staffing enables delivery of emergency services 24-hours per day, 7 days per week. A post-position is a seat on a fire engine or truck that must be filled to meet the staffing requirements of that unit. Backfill/overtime occurs when there is a vacancy in a position that requires constant staffing and another employee must work overtime to fill the vacancy. Examples include:

- Positions are vacant as a result of retirements or promotions

- Positions are vacant because they were newly created to provide service expansions/additions (staffing for a new station or expanded staffing at an existing station)
- Positions are temporarily vacant due to personnel on sick leave, vacation, jury duty, military leave, bereavement, workers' compensation, etc.
- Positions are temporarily vacant due to personnel assigned to paramedic school or assigned to a cadre to teach an academy
- Positions are temporarily vacant due to personnel responding to major in/out of county emergency incidents

To fill OCFA's vacancies, our Human Resources and Operations Training personnel have been completing recruitments, staggered in time, to result in two firefighter academies per year and multiple fire apparatus engineer, fire captain, battalion chief, and division chief promotional processes. The following statistics demonstrate the volume of hiring and promotional activity that has occurred in the OCFA's safety ranks during the last three years:

- 193 firefighters graduated from OCFA's new recruit academies
- 114 firefighters promoted to fire apparatus engineers
- 75 firefighters and/or fire apparatus engineers promoted to fire captains
- 19 fire captains promoted to battalion chiefs
- 12 battalion chiefs promoted to division chiefs

413 OCFA safety personnel have been hired or promoted into their current positions of rank within the last 3 years (this represents 37.5% of OCFA's safety positions)

In spite of the volume of hiring and promotional activity, the number of safety retirements combined with the number of positions added for expanded OCFA services have outpaced our efforts. As a result, ***the volume of overtime hours being demanded of our firefighters to fill vacant shifts far exceeds the hours they wish to work, resulting in an extraordinary and unacceptable amount of forced-hiring activity for all firefighter ranks.*** Occasional forced-hiring is expected in the provision of fire and emergency services, but the extraordinary volume of forced overtime has created an unhealthy strain on work-life balance for OCFA personnel.

It is imperative for management to implement measures that will curtail these staffing issues as quickly as possible. The actions that we are proposing herein were developed in collaboration with the Orange County Professional Firefighters Association/Local 3631, and we are committed to ongoing efforts to jointly identify more solutions for reducing the forced overtime.

Proposed Third Firefighter Academy in FY 2019/20

OCFA is currently scheduled to conduct two entry-level firefighter trainee academies during FY 2019/20, one will begin in August 2019 and one will begin in February 2020. Each of these firefighter trainee academies are scheduled to run for 16 weeks. Approximately 50 candidates have already been hired for the August Academy #48 (50 candidates seated, plus alternates).

During FY 2018/19, an open firefighter recruitment was completed, intended for use to hire 50 new recruits into each of the next two academies scheduled to begin in February and August 2020. This open recruitment produced an eligibility list of 482 candidates, of which, 41 candidates

already possess firefighter/paramedic (FF/PM) licensing and have obtained experience working with other agencies.

In order to expedite our hiring and not only keep pace with attrition, but also fill net vacancies, staff is requesting a \$1.7 million budget adjustment to fund an additional academy in FY 2019/20. This third academy would hire the 41 FF/PM candidates from our eligibility list and, since they already possess FF/PM experience, the duration of this academy can be shortened to 8 weeks. This lateral FF/PM academy would begin in September 2019 (Academy #49), and run concurrently with the firefighter trainee academy that begins in August 2019 (Academy #48) by using classroom spaces in remote locations and potentially using rented hours of alternate training towers. The attached matrix summarizes the cost components required in the \$1.7 million budget adjustment that staff is requesting to facilitate this lateral FF/PM academy.

Attachment(s)

Fiscal Impact – Lateral Firefighter/Paramedic Academy #49

**Orange County Fire Authority
Fiscal Impact - Lateral Firefighter/Paramedic Academy
FY 2019/20**

I. CADRE COST		FC
Backfill/overtime cost (per cadre member) for safety personnel who work the shifts left vacant in the field by members of the cadre coming in to instruct the academy	\$	32,045
Multiplied by the number of cadre members		6
TOTAL CADRE COST (A)	\$	192,268
II. RECRUIT COST		FF/PM
Salary and employee benefit costs per recruit	\$	25,546
Testing Materials		40
Physical /Medical Examinations & LiveScan		1,080
Background Check		1,475
Recruit Uniform		1,729
Recruit PPE		6,468
Total Cost per Recruit	\$	36,338
Multiplied by the number of FF/PM recruits		41
TOTAL RECRUIT COST (B)	\$	1,489,845
III. OVERHEAD COST		
Consumables / Props	\$	17,734
NorthNet Tower Rental		2,000
Burn Cadre Overtime		10,000
Graduation Ceremony		7,000
Paramedic Assessment Testing		3,000
TOTAL OVERHEAD COST (C)	\$	39,734
TOTAL LATERAL ACADEMY COST (A+B+C)	\$	1,721,846