



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, June 10, 2020

12:00 Noon

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road
Irvine, California 92602

Gene Hernandez, Chair

Elizabeth Swift, Vice Chair

Ed Sachs • Shelley Hasselbrink • Joe Muller

Sergio Farias • Don Sedgwick • Tri Ta • Vince Rossini

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 the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



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 and identify the need and the requested modification or accommodation. Please notify us as soon as is feasible, however 48 hours prior to the meeting is appreciated to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

NOTICE REGARDING PUBLIC PARTICIPATION DURING COVID-19 EMERGENCY

During the Statewide COVID-19 Emergency, the public is not permitted to convene in person for this public meeting. However, the public may still view and comment on the meeting as follows:

- To watch the meeting online, please go to website at www.OCFA.org
- To submit an e-comment, please email to PublicComments@ocfa.org.

You may comment on items on the agenda or not on the agenda. Your comments will be forwarded electronically and immediately to the members of the Committee. Comments related to a particular agenda item will only be considered prior to the close of public comments on that item.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Sachs

ROLL CALL

1. PRESENTATIONS

No items.

PUBLIC COMMENTS

Please refer to instructions on how to submit a public comment during COVID-19 Emergency on Page 1 of this Agenda.

2. CONSENT CALENDAR

A. Minutes for the May 13, 2020, Budget and Finance Committee Meeting

Submitted by: Martha Halvorson, Acting Clerk of the Authority

Recommended Action:

Approve as submitted.

B. Updated Cost Reimbursement Rates

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of June 25, 2020, 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, 2020.

C. FY 2019/20 Year End Budget Adjustment

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

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of June 25, 2020, with the Budget and Finance Committee's recommendation that the Board of Directors take the following action: Approve and authorize FY 2019/20 budget adjustments to increase net revenues by \$3,596,095 and net appropriations by \$5,081,734 as further described in this staff report.

3. 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 June 25, 2020, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

REPORTS

A. Property Tax Revenue and Economic Analysis Comparison between The Great Recession and Covid-19

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

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, July 8, 2020, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 4th day of June, 2020.

Maria D. Huizar, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Executive Committee Meeting	Thursday, June 25, 2020, 5:30 p.m.
Board of Directors Meeting	Thursday, June 25, 2020, 6:00 p.m.
Budget and Finance Committee Meeting	Wednesday, July 8, 2020, 12 noon

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting
Wednesday, May 13, 2020
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 13, 2020, at 12:01 p.m. by Chair Hernandez.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Gene Hernandez, Yorba Linda*
Beth Swift, Buena Park*
Shelley Hasselbrink, Los Alamitos*
Joseph Muller, Dana Point*
Tri Ta, Westminster*
Vince Rossini, Villa Park*
Sergio Farias, San Juan Capistrano*
Don Sedgwick, Laguna Hills*
Ed Sachs, Mission Viejo*

Absent: None

Also present were:

Fire Chief Brian Fennessy
Assistant Chief Robert Cortez
Assistant Chief Kenny Dossey
Assistant Chief Randy Black
General Counsel David Kendig

Deputy Chief Lori Zeller
Assistant Chief Nina Collins
Assistant Chief Jim Ruane
Assistant Chief Lori Smith
Acting Clerk of the Authority Martha Halvorson

*Budget and Finance Committee Members participating via teleconferencing**

PUBLIC COMMENTS (F: 12.02B3)

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

1. PRESENTATIONS

No items.

2. CONSENT CALENDAR

A. Minutes for the March 11, 2020, Budget and Finance Committee Regular Meeting (F: 12.02B2)

On motion of Vice Chair Swift and second by Director Sachs, the Budget and Finance Committee voted unanimously by those present by roll call vote to approve the Minutes of the April 8, 2020, meeting as submitted. Director Sachs was recorded as abstention, due to his absence from the April 8, 2020, meeting.

B. Third Quarter Financial Newsletter (F: 15.07)

On motion of Vice Chair Swift and second by Director Sachs, the Budget and Finance Committee voted unanimously by those present by roll call vote to direct staff to place the item on the agenda for the Executive Committee meeting of May 28, 2020, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

3. 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 Swift and second by Director Rossini, the Budget and Finance Committee voted unanimously by those present by roll call vote to direct staff to place the item on the agenda for the Executive Committee meeting of May 28, 2020, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Harris & Associates Final Property Tax Revenue Projections (F: 15.10)

Assistant Chief Robert Cortez provided an overview and presented a PowerPoint presentation on the Final Property Tax Revenue Projections. Chief Cortez mentioned that Hitta Mosesman from Harris & Associates will be available for questions.

By consensus, the Committee received and filed the report.

*Director Farias arrived at this point 12:45 p.m.

3. DISCUSSION CALENDAR

C. Review of the Fiscal Year 2020/21 Proposed Budget (F: 15.04 20/21)

Assistant Chief Robert Cortez provided a PowerPoint presentation on FY 2020/21 Proposed Budget.

A lengthy discussion ensued.

Director Ta left the meeting at 12:58 p.m. and did not return.

Vice Chair Swift left the meeting at 12:59 p.m. and did not return.

On motion of Director Sachs and second by Director Hasselbrink, the Budget and Finance Committee voted by those present by roll call vote and directed staff to place the item on the agenda for the Board of Directors meeting of May 28, 2020, with the Budget and Finance Committee's recommendation that staff research the following and report back to the Budget and Finance Committee at its June Meeting:

1. Suspend the snowball pension pay down plan until further notice.
2. Review the ability to suspend the 4.5% increase to cash contract city charges, and;
3. Take a look at the proposed budget with these effects in mind and present to the Board or the Budget and Finance Committee what the budget would look like under those conditions.

In addition, the Committee indicated that staff may provide a less formal budget presentation to the Board of Directors at its May 28, 2020 meeting, while informing the Board of Staff's pending research and of staff's expected return to the Budget and Finance Committee in June prior to the Board adopting the budget.

Motion carried by a vote of 8-1, Director Sedgwick voted in opposition.

REPORTS (F: 12.02B6)

There were no reports.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

There were no Committee Member comments.

ADJOURNMENT (F: 11.18)

Chair Hernandez adjourned the meeting at 1:44 p.m. The next regular meeting of the Budget and Finance Committee meeting is scheduled for Wednesday, June 10, 2020, at 12:00 p.m.

Martha Halvorson, CMC
Acting Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
June 10, 2020

Agenda Item No. 2B
Consent Calendar

Updated Cost Reimbursement Rates

Contact(s) for Further Information

Robert Cortez, Assistant Chief
Business Services Department

robertcortez@ocfa.org

714.573.6012

Julie Nemes, Finance Manager/Auditor

julienemes@ocfa.org

714.573.6304

Summary

This item is submitted to request approval of the proposed update to the Cost Reimbursement rates.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of June 25, 2020, 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, 2020.

Impact to Cities/County

Not Applicable.

Fiscal Impact

The fiscal impact of the new rates will be based on the number of incidents that occur throughout the year and will be incorporated into the mid-year budget update.

Background

The California Fire and Rescue Mutual Aid System Operating Plan outlines the methodologies and formulas participating agencies (including OCFA) are required to use when developing cost reimbursement rates. These rates will be used when OCFA resources are ordered by various Federal (Cleveland National Forest Service) and State (Cal Fire) agencies. The California Office of Emergency Services (Cal OES) requires a different method to calculate reimbursement rates for non-suppression personnel only. Both methods are designed to only reimburse OCFA for the marginal cost of providing the resources and are calculated in three separate components, the indirect (overhead) cost rate, personnel rate, and equipment rate.

Reimbursement Rate Calculation (Other than Cal OES)

FY 2020/21 proposed Indirect Cost Rate is 14.27%, decreasing 1.24% from the current rate of 15.51%. This change is attributable to the marginal increase of direct cost from labor contracts, overtime, and backfill cost offset by a significant decrease in indirect cost of the Countywide-Coordinated Communications System replacement payment to the Orange County Sheriff

Department. The full list of proposed reimbursement rates by position (including the indirect cost rate) is listed on Attachment 1A.

OCFA adopts the Cal OES California Fire Assistance Agreement (CFAA) and Federal Emergency Management Agency (FEMA) approved equipment rates, except for the helicopter rates, to seek reimbursement for equipment use. Cal OES fire vehicles rates for fire engines, patrol, and water tender as well as the daily rates for support vehicles also increased significantly. The rate increase is due to Cal OES not adjusting its rates since 2017 and this increase now captures the necessary adjustments to bring the rates in alignment with 2020 rates. FEMA equipment reimbursement rates increase by 7.2% from the last update in August 2019. The OCFA helicopter rates were calculated using the four-year average on operating costs. Increased operating cost such as maintenance and insurance premium caused a 5.41% rate increase for the Bell Super Huey helicopter (acquired as federal excess property and placed in service in 1996) and a 20.61% rate increase for the Bell 412 helicopter. (Attachment 2)

Cal OES Reimbursement Rates

The Cal OES rate calculation differs in that it blends all specialty pays (i.e. paramedic, hazmat, hazmat specialist, and technical rescue truck pays) with base salary to develop one average hourly rate for each suppression classification. For non-suppression staff, both regular and overtime reimbursement rates are calculated. The Workers' Compensation and Unemployment Insurance rates are required to be included in the base hourly rates calculation starting from May 2020. The Cal OES personnel reimbursement rates are listed as Attachment 1B to this staff report.

Civilian Position Rates

The civilian position reimbursement rates are used for task force members responding to national and regional disasters on search and rescue missions. The reimbursement rate for affiliate member is based on the top step rate for OCFA's Battalion Chief position. All other civilian positions' rates are obtained from a salary survey within the California task forces and remain unchanged. Civilian position rates are included in the Cal OES reimbursement schedule (Attachment 1B).

Mutually Beneficial Hourly Rates (Hand crew and Dozer Operator)

These rates, with a methodology originally approved in 2010, are updated annually and used to recover only base salary costs of the hand crew and dozer operators when projects are deemed by OCFA to be beneficial to both the requesting entity and OCFA.

Summary

Upon approval of the proposed rates included as Attachment 1A, 1B and 2, OCFA's Finance/Cost Recovery Section will use the approved rates for the following activities or programs:

- Assistance by Hire (ABH) rates for services provided in response to CAL FIRE, Cal OES, Cleveland National Forest Service (CNF) Fire/Incident response, and other agency requests.
- Fire/Incident Restitution
- Special Event Stand-By
- Other Miscellaneous Billing

Attachment(s)

1. Proposed Cost Reimbursement Rates – Personnel
 - a. Proposed Cost Reimbursement Rates – All Agencies except Cal OES
 - b. Proposed Cost Reimbursement Rates – Cal OES
2. Proposed Cost Reimbursement Rates – Equipment

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR ALL BILLING AGENCIES (EXCEPT CAL OES)
PERSONNEL
EFFECTIVE JULY 1, 2020

CLASSIFICATION	2019/20 ADOPTED RATES	2020/21 PROPOSED RATE with ICRP	\$ CHANGE	% CHANGE
SUPPRESSION PERSONNEL				
FIRE DIVISION CHIEF	\$181.57	\$184.05	\$2.48	1.37%
FIRE BATTALION CHIEF (SHIFT)	\$111.86	\$112.00	\$0.14	0.13%
FIRE BATTALION CHIEF (STAFF)	\$156.28	\$160.66	\$4.38	2.80%
FIRE CAPTAIN (FC)	\$81.38	\$80.51	(\$0.87)	-1.07%
FC/HAZMAT	\$86.13	\$85.23	(\$0.89)	-1.04%
FC/HAZMAT PARAMEDIC	\$92.45	\$91.53	(\$0.92)	-1.00%
FC/HAZMAT SPECIALIST	\$87.71	\$86.81	(\$0.90)	-1.03%
FC/PARAMEDIC	\$90.87	\$89.95	(\$0.92)	-1.01%
FC/TECH RESCUE TRUCK	\$86.13	\$85.23	(\$0.89)	-1.04%
FIRE APPARATUS ENGINEER (FAE)	\$69.90	\$69.95	\$0.05	0.07%
FAE/HAZMAT	\$74.65	\$74.67	\$0.02	0.03%
FAE/HAZMAT PARAMEDIC	\$80.97	\$80.97	(\$0.00)	0.00%
FAE/HAZMAT SPECIALIST	\$76.23	\$76.25	\$0.02	0.02%
FAE/PARAMEDIC	\$79.39	\$79.39	\$0.00	0.00%
FAE/TECH RESCUE TRUCK	\$74.65	\$74.67	\$0.02	0.03%
FIREFIGHTER (FF)	\$60.02	\$58.74	(\$1.28)	-2.13%
FF/HAZMAT	\$64.76	\$63.46	(\$1.30)	-2.01%
FF/HAZMAT PARAMEDIC	\$71.08	\$69.76	(\$1.33)	-1.87%
FF/HAZMAT SPECIALIST	\$66.34	\$65.04	(\$1.31)	-1.97%
FF/PARAMEDIC	\$69.50	\$68.18	(\$1.32)	-1.90%
FF/TECH RESCUE TRUCK	\$64.76	\$63.46	(\$1.30)	-2.01%
HAND CREW (FIREFIGHTER)	\$42.44	\$40.12	(\$2.32)	-5.46%
HAND CREW SUPERVISOR (FIRE CAPTAIN)	\$83.05	\$82.67	(\$0.39)	-0.46%
HAND CREW SUPERVISOR (FIRE APP. ENGINEER)	\$70.93	\$70.62	(\$0.32)	-0.44%
HAND CREW SUPERVISOR (FIREFIGHTER)	\$63.24	\$62.96	(\$0.28)	-0.45%
HEAVY FIRE EQUIPMENT OPERATOR	\$110.21	\$115.74	\$5.54	5.02%
FIRE PILOT	\$85.85	\$95.44	\$9.59	11.17%
NON-SUPPRESSION PERSONNEL				
ACCOUNTANT	\$75.51	\$79.13	\$3.62	4.80%
ACCOUNTING MANAGER	n/a	\$90.49	n/a	n/a
ASST. IT MANAGER	\$92.76	\$95.38	\$2.62	2.82%
ASST. FIRE APPARATUS TECHNICIAN	\$46.85	\$50.86	\$4.01	8.55%
ASST. FIRE MARSHAL	\$111.42	\$110.13	(\$1.30)	-1.16%
ASST. PURCHASING AGENT	\$83.08	\$86.41	\$3.33	4.01%
BUYER	\$60.77	\$56.38	(\$4.38)	-7.22%
COMMUNICATIONS TECHNICIAN	\$64.94	\$66.01	\$1.07	1.65%
COMMUNICATIONS SERVICE SUPERVISOR	\$87.65	\$98.32	\$10.66	12.16%
DEPUTY FIRE MARSHAL	\$89.96	\$90.49	\$0.53	0.59%
EMERGENCY COMM CENTER MANAGER	\$77.33	\$82.09	\$4.76	6.16%
FINANCE MANAGER	\$102.54	\$89.25	(\$13.29)	-12.96%
FIRE APPARATUS TECHNICIAN	\$72.30	\$73.11	\$0.81	1.12%
FIRE COMM RELAT/ED SPECIALIST	\$66.71	\$68.25	\$1.54	2.31%
FIRE COMM RELAT/ED SUPERVISOR	\$72.60	\$73.05	\$0.46	0.63%
FIRE COMMUNICATIONS DISPATCHER	\$66.69	\$63.90	(\$2.79)	-4.19%
FIRE COMMUNICATIONS SUPERVISOR	\$76.86	\$78.15	\$1.29	1.68%
FIRE HELICOPTER TECHNICIAN	\$74.46	\$78.66	\$4.20	5.64%
FIRE PREVENTION ANALYST	\$97.23	\$100.70	\$3.47	3.57%
FIRE PREVENTION SERVICES SPECIALIST	n/a	\$33.12	n/a	n/a
FIRE PREVENTION SPECIALIST	\$80.00	\$81.26	\$1.27	1.58%
FIRE PREVENTION TRAINEE	\$57.79	\$58.77	\$0.97	1.68%

Notes:

- (1) 5% EMT specialty pay is included in Hand Crew FF average rate
 (2) Adjustment to management positions to reflect overtime as straight time rather than 1.5 x hourly rate.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR ALL BILLING AGENCIES (EXCEPT CAL OES)
PERSONNEL
EFFECTIVE JULY 1, 2020

CLASSIFICATION	2019/20 ADOPTED RATES	2020/21 PROPOSED RATE with ICRP	\$ CHANGE	% CHANGE
FIRE SAFETY ENGINEER	\$117.48	\$118.19	\$0.71	0.61%
FLEET SERVICES COORDINATOR	\$82.80	\$83.26	\$0.46	0.56%
FLEET SERVICES SUPERVISOR	\$88.32	\$88.37	\$0.05	0.06%
GENERAL LABORER	\$35.80	\$35.81	\$0.01	0.04%
GIS ANALYST	\$105.70	\$95.49	(\$10.21)	-9.66%
GIS SUPERVISOR	\$120.85	\$128.36	\$7.51	6.21%
GIS TECHNICIAN	n/a	\$63.38	n/a	n/a
INFORMATION TECHNOLOGY ANALYST	\$105.70	\$106.34	\$0.64	0.61%
INFORMATION TECHNOLOGY SPECIALIST	\$84.56	\$83.31	(\$1.25)	-1.48%
INFORMATION TECHNOLOGY SUPERVISOR	\$127.59	\$128.36	\$0.78	0.61%
INFORMATION TECHNOLOGY TECHNICIAN	\$76.15	\$79.60	\$3.45	4.53%
MEDICAL DIRECTOR	\$102.54	\$103.16	\$0.62	0.60%
PURCHASING MANAGER	\$96.22	\$96.79	\$0.57	0.59%
RESERVE FIREFIGHTER	\$2.41	\$2.17	(\$0.25)	-10.20%
RISK MANAGEMENT ANALYST	\$68.13	\$70.23	\$2.10	3.08%
RISK MANAGEMENT SAFETY OFFICER	\$75.07	\$65.45	(\$9.62)	-12.82%
RISK MANAGEMENT SPECIALIST	\$62.37	\$56.27	(\$6.10)	-9.78%
RISK MANAGER	n/a	\$96.79	n/a	n/a
SERVICE CENTER LEAD	\$76.32	\$61.90	(\$14.43)	-18.90%
SERVICE CENTER SUPERVISOR	\$93.62	\$93.72	\$0.11	0.11%
SERVICE CENTER TECHNICIAN	\$42.16	\$41.70	(\$0.46)	-1.10%
SR. ACCOUNTANT	\$74.56	\$75.40	\$0.83	1.11%
SR. ACCT. SUPPORT SPEC.	\$59.31	\$60.50	\$1.19	2.00%
SR. COMMUNICATIONS TECHNICIAN	\$66.38	\$72.47	\$6.09	9.18%
SR. FIRE APPARATUS TECHNICIAN	\$74.20	\$70.81	(\$3.39)	-4.57%
SR. FIRE COMMUNICATIONS SUPV.	\$87.47	\$87.98	\$0.51	0.58%
SR. FIRE HELICOPTER TECHNICIAN	\$106.28	\$106.41	\$0.12	0.12%
SR. FIRE PREVENTION SPECIALIST	\$92.27	\$87.16	(\$5.11)	-5.54%
SR. INFO TECHNOLOGY ANALYST	\$112.88	\$116.97	\$4.09	3.62%
SR. SERVICE CENTER TECHNICIAN	\$62.04	\$56.13	(\$5.91)	-9.53%
US&R WAREHOUSE & LOGISTICS SPECIALIST	\$62.04	\$53.31	(\$8.73)	-14.07%
WILDLAND RESOURCE PLANNER	\$82.60	\$90.18	\$7.58	9.18%
MUTUALLY BENEFICIAL RATES:				
HAND CREW (FIREFIGHTER)	\$21.85	\$21.01	(\$0.84)	-3.84%
HAND CREW SUPERVISOR (STAFF FIRE CAPTAIN)	\$42.76	\$43.29	\$0.53	1.24%
HAND CREW SUPERVISOR (STAFF FIRE APP. ENGINE)	\$36.52	\$36.98	\$0.46	1.26%
HAND CREW SUPERVISOR (STAFF FIREFIGHTER)	\$32.56	\$32.97	\$0.41	1.26%
HEAVY FIRE EQUIPMENT OPERATOR	\$56.74	\$60.61	\$3.87	6.82%
SWAMPER/HAND CREW FF	\$21.85	\$21.01	(\$0.84)	-3.84%

Notes:

- (1) 5% EMT specialty pay is included in Hand Crew FF average rate
- (2) Adjustment to management positions to reflect overtime as straight time rather than 1.5 x hourly rate.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR CAL OES BILLINGS ONLY
PERSONNEL
EFFECTIVE JULY 1, 2020

CLASSIFICATION	2019/20 ADOPTED RATE					2020/21 PROPOSED RATE	\$ CHANGE	% CHANGE
SUPPRESSION POSITIONS								
FIRE DIVISION CHIEF	\$181.57					\$183.81	\$2.25	1.24%
FIRE BATTALION CHIEF	\$134.08					\$136.15	\$2.08	1.55%
FIRE CAPTAIN	\$88.24					\$86.60	(\$1.63)	-1.85%
FIRE APPARATUS ENGINEER	\$74.93					\$74.97	\$0.04	0.05%
FIREFIGHTER	\$65.67					\$64.46	(\$1.21)	-1.84%
HAND CREW (FIREFIGHTER)	\$42.44					\$40.07	(\$2.37)	-5.58%
HAND CREW SUPERVISOR (FIRE CAPTAIN)	\$83.05					\$82.56	(\$0.49)	-0.59%
HAND CREW SUPERVISOR (FIRE APP. ENGINEER)	\$70.93					\$70.53	(\$0.41)	-0.57%
HAND CREW SUPERVISOR (FIREFIGHTER)	\$63.24					\$62.88	(\$0.36)	-0.57%
HEAVY FIRE EQUIPMENT OPERATOR	\$110.21					\$115.59	\$5.39	4.89%
FIRE PILOT	\$85.85					\$95.32	\$9.47	11.03%
NON-SUPPRESSION POSITIONS								
CLASSIFICATION	2019/20 ADOPTED REGULAR RATE	2020/21 PROPOSED REGULAR RATE	\$ CHANGE	% CHANGE	2019/20 ADOPTED OT RATE	2020/21 PROPOSED OT RATE	\$ CHANGE	% CHANGE
ACCOUNTANT	\$76.05	\$79.81	\$3.76	4.95%	\$75.51	\$79.08	\$3.57	4.73%
ACCOUNTING MANAGER	n/a	\$141.68	n/a	n/a	n/a	\$90.43	n/a	n/a
ASST. IT MANAGER	\$143.29	\$148.39	\$5.10	3.56%	\$92.76	\$95.32	\$2.56	2.76%
ASST. FIRE APPARATUS TECHNICIAN	\$50.77	\$54.79	\$4.03	7.93%	\$46.85	\$50.77	\$3.92	8.36%
ASST. FIRE MARSHAL	\$108.63	\$107.99	(\$0.64)	-0.59%	\$111.42	\$110.06	(\$1.37)	-1.23%
ASST. PURCHASING AGENT	\$82.92	\$86.42	\$3.50	4.22%	\$83.08	\$86.36	\$3.28	3.95%
BUYER	\$62.68	\$59.12	(\$3.56)	-5.69%	\$60.77	\$56.35	(\$4.42)	-7.27%
COMMUNICATIONS TECHNICIAN	\$66.45	\$67.88	\$1.43	2.15%	\$64.94	\$65.97	\$1.03	1.59%
COMMUNICATIONS SERVICES SUPERVISOR	\$87.07	\$97.25	\$10.18	11.69%	\$87.65	\$98.25	\$10.60	12.09%
DEPUTY FIRE MARSHAL	\$139.46	\$141.68	\$2.22	1.59%	\$89.96	\$90.43	\$0.48	0.53%
EMERGENCY COMM CENTER MANAGER	\$122.21	\$130.14	\$7.92	6.48%	\$77.33	\$82.04	\$4.71	6.09%
FINANCE MANAGER	\$156.65	\$139.97	(\$16.69)	-10.65%	\$102.54	\$89.20	(\$13.35)	-13.01%
FIRE APPARATUS TECHNICIAN	\$73.87	\$75.03	\$1.16	1.58%	\$72.30	\$72.98	\$0.68	0.94%
FIRE COMM RELAT/ED SPECIALIST	\$68.07	\$69.92	\$1.85	2.72%	\$66.71	\$68.21	\$1.50	2.24%
FIRE COMM RELAT/ED SUPERVISOR	\$73.41	\$74.28	\$0.87	1.18%	\$72.60	\$73.01	\$0.41	0.57%
FIRE COMMUNICATIONS DISPATCHER	\$68.05	\$65.96	(\$2.10)	-3.08%	\$66.69	\$63.86	(\$2.83)	-4.25%
FIRE COMMUNICATIONS SUPV.	\$77.27	\$78.91	\$1.64	2.12%	\$76.86	\$78.10	\$1.24	1.61%
FIRE HELICOPTER TECHNICIAN	\$75.82	\$80.07	\$4.25	5.61%	\$74.46	\$78.52	\$4.06	5.45%
FIRE PREVENTION ANALYST	\$95.76	\$99.41	\$3.65	3.81%	\$97.23	\$100.64	\$3.40	3.50%
FIRE PREVENTION SERVICES SPECIALIST	n/a	\$37.98	n/a	n/a	n/a	\$33.10	n/a	n/a
FIRE PREVENTION SPECIALIST	\$80.12	\$81.75	\$1.63	2.03%	\$80.00	\$81.21	\$1.21	1.52%
FIRE PREVENTION TRAINEE	\$59.71	\$61.03	\$1.31	2.20%	\$57.79	\$58.76	\$0.96	1.66%
FIRE SAFETY ENGINEER	\$114.12	\$115.32	\$1.19	1.05%	\$117.48	\$118.11	\$0.64	0.54%
FLEET SERVICES COORDINATOR	\$82.67	\$83.56	\$0.90	1.08%	\$82.80	\$83.21	\$0.41	0.50%
FLEET SERVICES SUPERVISOR	\$88.39	\$88.90	\$0.51	0.58%	\$88.32	\$88.22	(\$0.11)	-0.12%
GENERAL LABORER	\$40.74	\$41.13	\$0.39	0.95%	\$35.80	\$35.75	(\$0.05)	-0.13%
GIS ANALYST	\$103.44	\$94.69	(\$8.75)	-8.46%	\$105.70	\$95.43	(\$10.27)	-9.71%
GIS SUPERVISOR	\$117.19	\$124.56	\$7.37	6.29%	\$120.85	\$128.28	\$7.43	6.15%
GIS TECHNICIAN	n/a	\$65.22	n/a	n/a	n/a	\$63.37	n/a	n/a
INFORMATION TECHNOLOGY ANALYST	\$103.44	\$104.54	\$1.10	1.06%	\$105.70	\$106.27	\$0.57	0.54%
INFORMATION TECHNOLOGY SPECIALIST	\$83.99	\$83.34	(\$0.65)	-0.78%	\$84.56	\$83.30	(\$1.27)	-1.50%
INFORMATION TECHNOLOGY SUPERVISOR	\$123.29	\$124.56	\$1.27	1.03%	\$127.59	\$128.28	\$0.69	0.54%
INFORMATION TECHNOLOGY TECHNICIAN	\$76.36	\$79.96	\$3.61	4.73%	\$76.15	\$79.59	\$3.44	4.52%

Notes:

- (1) HazMat (\$2.47/hr), HazMat Paramedic (\$5.77/hr), HazSpecialist (\$3.3/hr), Paramedic (\$4.95/hr), and Tech Rescue Truck (\$2.47/hr) specialty pays are now included in
- (2) 5% EMT specialty pay is included in Hand Crew FF average rate
- (3) Adjustment to management positions to reflect overtime as straight time rather than 1.5 x hourly rate.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES FOR CAL OES BILLINGS ONLY
PERSONNEL
EFFECTIVE JULY 1, 2020

CLASSIFICATION	2019/20 ADOPTED RATE					2020/21 PROPOSED RATE	\$ CHANGE	% CHANGE	
MEDICAL DIRECTOR	\$156.65	\$159.08	\$2.43	1.55%	\$102.54	\$103.09	\$0.55	0.54%	(3)
PURCHASING MANAGER	\$148.00	\$150.32	\$2.32	1.57%	\$96.22	\$96.73	\$0.51	0.53%	(3)
RESERVE FIREFIGHTER	\$1.76	\$1.59	(\$0.17)	-9.39%	\$2.41	\$2.16	(\$0.25)	-10.45%	
RISK MANAGEMENT ANALYST	\$109.64	\$113.83	\$4.20	3.83%	\$68.13	\$70.18	\$2.05	3.01%	(3)
RISK MANAGEMENT SAFETY OFFICER	\$119.11	\$107.27	(\$11.84)	-9.94%	\$75.07	\$65.41	(\$9.66)	-12.87%	(3)
RISK MANAGEMENT SPECIALIST	\$64.14	\$59.02	(\$5.12)	-7.98%	\$62.37	\$56.24	(\$6.14)	-9.84%	
RISK MANAGER	n/a	\$150.32	n/a	n/a	n/a	\$96.73	n/a	n/a	(3)
SERVICE CENTER LEAD	\$76.79	\$64.14	(\$12.64)	-16.47%	\$76.32	\$61.86	(\$14.47)	-18.95%	
SERVICE CENTER SUPERVISOR	\$93.19	\$93.77	\$0.58	0.62%	\$93.62	\$93.56	(\$0.06)	-0.06%	
SERVICE CENTER TECHNICIAN	\$46.52	\$46.47	(\$0.05)	-0.10%	\$42.16	\$41.63	(\$0.54)	-1.27%	
SR. ACCOUNTANT	\$118.43	\$120.94	\$2.51	2.12%	\$74.56	\$75.35	\$0.78	1.05%	(3)
SR. ACCT. SUPPORT SPEC.	\$61.35	\$62.86	\$1.51	2.47%	\$59.31	\$60.46	\$1.15	1.94%	
SR. COMMUNICATIONS TECHNICIAN	\$67.76	\$73.76	\$5.99	8.84%	\$66.38	\$72.43	\$6.05	9.11%	
SR. FIRE APPARATUS TECHNICIAN	\$75.58	\$72.95	(\$2.63)	-3.48%	\$74.20	\$70.69	(\$3.51)	-4.73%	
SR. FIRE COMMUNICATIONS SUPV.	\$86.90	\$87.85	\$0.95	1.09%	\$87.47	\$87.92	\$0.45	0.52%	
SR. FIRE HELICOPTER TECHNICIAN	\$104.68	\$105.30	\$0.62	0.59%	\$106.28	\$106.22	(\$0.06)	-0.06%	
SR. FIRE PREVENTION SPECIALIST	\$91.25	\$87.10	(\$4.15)	-4.55%	\$92.27	\$87.10	(\$5.16)	-5.60%	
SR. INFO TECHNOLOGY ANALYST	\$109.95	\$114.20	\$4.25	3.87%	\$112.88	\$116.90	\$4.02	3.56%	
SR. SERVICE CENTER TECHNICIAN	\$64.55	\$59.60	(\$4.95)	-7.67%	\$62.04	\$56.03	(\$6.01)	-9.69%	
US&R WAREHOUSE & LOGISTICS SPECIALIST	\$64.55	\$57.03	(\$7.51)	-11.64%	\$62.04	\$53.22	(\$8.82)	-14.22%	
WILDLAND RESOURCE PLANNER	\$82.49	\$89.85	\$7.37	8.93%	\$82.60	\$90.12	\$7.52	9.11%	

CIVILIAN POSITIONS

AFFILIATED MEMBER	\$59.24					\$60.52	\$1.28	2.16%
CANINE SPECIALIST	\$37.50					\$37.50	\$0.00	0.00%
DOCTOR	\$90.38					\$90.38	\$0.00	0.00%
HEAVY RIGGING SPECIALIST	\$40.00					\$40.00	\$0.00	0.00%
STRUCTURE SPECIALIST	\$70.95					\$70.95	\$0.00	0.00%

Notes:

- (1) HazMat (\$2.47/hr), HazMat Paramedic (\$5.77/hr), HazSpecialist (\$3.3/hr), Paramedic (\$4.95/hr), and Tech Rescue Truck (\$2.47/hr) specialty pays are now included in
 (2) 5% EMT specialty pay is included in Hand Crew FF average rate
 (3) Adjustment to management positions to reflect overtime as straight time rather than 1.5 x hourly rate.

ORANGE COUNTY FIRE AUTHORITY
COST REIMBURSEMENT RATES
EQUIPMENT
EFFECTIVE July 1, 2020

DESCRIPTION	2019/20 RATE	2020/21 RATE	\$ CHANGE	% CHANGE	SOURCE	Hourly / Daily
TYPE 1 ENGINE	\$78.90	\$140.00	\$61.10	77.44%	Cal OES	Hourly
TYPE 2 ENGINE	\$68.00	\$132.00	\$64.00	94.12%	Cal OES	Hourly
TYPE 3 ENGINE	\$68.00	\$126.50	\$58.50	86.03%	Cal OES	Hourly
TRUCK/QUINT	\$78.90	\$81.10	\$2.20	2.79%	FEMA	Hourly
AIR/LIGHT UTILITY	\$23.84	\$35.42	\$11.58	48.57%	FEMA	Hourly
AIRPORT CRASH UNIT	\$78.90	\$81.10	\$2.20	2.79%	FEMA	Hourly
CHIPPER	\$24.31	\$24.89	\$0.58	2.39%	FEMA	Hourly
COMPACT TRACK LOADER	\$36.05	\$38.72	\$2.67	7.41%	FEMA	Hourly
CREW CARRYING VEHICLE	\$20.95	\$21.60	\$0.65	3.10%	FEMA	Hourly
DOZER	\$93.74	\$98.77	\$5.03	5.37%	FEMA	Hourly
DOZER MODULE (DOZER+TRANSPORT)	\$160.64	\$168.46	\$7.82	4.87%	FEMA	Hourly
DOZER TENDER	\$17.65	\$17.91	\$0.26	1.47%	FEMA	Hourly
DOZER TRAILER	\$15.50	\$18.49	\$2.99	19.29%	FEMA	Hourly
DOZER TRANSPORT	\$66.90	\$69.69	\$2.79	4.17%	FEMA	Hourly
DUMP TRUCK	\$75.50	\$77.50	\$2.00	2.65%	FEMA	Hourly
FIRE COMMAND UNIT	\$20.95	\$21.60	\$0.65	3.10%	FEMA	Hourly
FUEL TENDER	\$28.70	\$31.05	\$2.35	8.19%	FEMA	Hourly
GRADER	\$46.50	\$63.63	\$17.13	36.84%	FEMA	Hourly
LOADER	\$43.85	\$46.17	\$2.32	5.29%	FEMA	Hourly
MECHANIC SERVICE TRUCK	\$96.00	\$230.00	\$134.00	139.58%	Cal OES	Daily
MEDIC UNIT	\$96.00	\$230.00	\$134.00	139.58%	Cal OES	Daily
PATROL UNIT (Type 6/ Swift Water Rescue)	\$68.00	\$120.00	\$52.00	76.47%	Cal OES	Hourly
PICKUP (less than 3/4 ton)	\$86.00	\$140.00	\$54.00	62.79%	Cal OES	Daily
SEDAN	\$47.00	\$119.00	\$72.00	153.19%	Cal OES	Daily
SPORT UTILITY VEHICLE	\$96.00	\$205.00	\$109.00	113.54%	Cal OES	Daily
VAN	\$109.00	\$194.00	\$85.00	77.98%	Cal OES	Daily
WATER TENDER	\$28.70	\$102.67	\$73.97	257.74%	Cal OES	Hourly
OTHER (3/4 ton and above)	\$96.00	\$230.00	\$134.00	139.58%	Cal OES	Daily
HAZMAT (Unit 4)	\$78.90	\$81.10	\$2.20	2.79%	FEMA	Hourly
HAZMAT (Unit 79)	\$78.90	\$81.10	\$2.20	2.79%	FEMA	Hourly
HAZMAT (Unit 204)	\$20.60	\$25.46	\$4.86	23.59%	FEMA	Hourly
HELICOPTER - BELL SUPER HUEY (1)	\$1,482.23	\$1,562.37	\$80.14	5.41%	OCFA	Hourly
HELICOPTER - BELL 412 (1)	\$3,954.61	\$4,769.66	\$815.05	20.61%	OCFA	Hourly

Notes:

1. Helicopter rates are based on 20 years useful life without the pilot and crew chief (Captain). The new rate reflects average usage for the past four years.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
June 10, 2020

Agenda Item No. 2C
Consent Calendar

FY 2019/20 Year End Budget Adjustment

Contact(s) for Further Information

Robert Cortez, Assistant Chief
Business Services Department

robertcortez@ocfa.org

714.573.6012

Tricia Jakubiak, Treasurer

triciajakubiak@ocfa.org

714.573.6301

Summary

This item is submitted to request approval to adjust revenues, expenditures and transfers to reflect changes identified after the FY 2019/20 Mid-Year Budget Adjustment was approved in March 2020.

Prior Board/Committee Action

A comprehensive mid-year financial review was presented to the Budget and Finance Committee and the Board of Directors in January 2020, highlighting proposed mid-year changes that were needed to the FY 2019/20 budget based on events that have occurred since the budget was adopted. The Board directed staff to return in March with the technical budget adjustments required to implement the proposed changes.

At its regular March 11, 2020, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item. At its regular March 26, 2020, meeting, the Board of Directors also reviewed and approved this item.

Subsequent to the Board's approval of the mid-year budget adjustments, there were additional adjustments to both revenues and expenditures that require Board approval prior to year-end. As outlined below, the financial impacts of OCFA's response to the COVID 19 pandemic are also included in these adjustments. OCFA anticipates the federal government will reimburse some of these costs.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of June 25, 2020, with the Budget and Finance Committee's recommendation that the Board of Directors take the following action: Approve and authorize FY 2019/20 budget adjustments to increase net revenues by \$3,596,095 and net appropriations by \$5,081,734 as further described in this staff report.

Impact to Cities/County

Not applicable.

Fiscal Impact

Not applicable.

Background

Proposed 2019/20 Year End Budget Adjustment

Since the mid-year budget adjustment was approved by the Board in March 2020, additional changes to the budget have become necessary. The proposed adjustment is to increase revenues in the net amount of \$3,596,095 and to increase expenditures in the net amount of \$5,081,734. These adjustments are comprised of the following:

FY 2019/20 Revenue Adjustments - \$3.6 million

General Fund (121) - \$4,175,695 net increase to revenues. This includes an initial \$3.5 million increase to Disaster Relief for anticipated COVID-19 reimbursement requests. Additional COVID-19 reimbursement requests are anticipated next fiscal year. The revenue adjustment also includes \$520,602 increase to Cal Fire SRA-Wildlands Contract revenue and \$888,606 SAFER Grant carryover from FY 2018/19. In addition, the adjustment includes a \$769,206 decrease in Inspection Service Fees due to COVID-19 restrictions. Other revenue adjustments totaling a net \$35,693 increase account for cash contract city maintenance charges, interest revenue, false alarm fees, and other miscellaneous revenue adjustments.

Capital Improvement Program, Settlement Agreement and Self-Insurance Funds – \$579,600 decrease in revenues primarily due to lower interest earnings.

- Fire Stations and Facilities (Fund 123) - \$27,600
- Communications and Information Systems (Fund 124) - \$12,000
- Fire Apparatus (Fund 133) - \$50,000
- Settlement Agreement (Fund 139) - \$90,000
- Self-Insurance Fund (190) - \$400,000

FY 2019/20 Expenditure Adjustments - \$5.1 million

General Fund (121) - \$4,941,734 increase to expenditures. This includes \$2,695,000 increase to Overtime and \$2,715,800 increase to Services & Supplies for COVID-19 related costs that staff will seek future reimbursement. Other expenditure adjustments include increases to Miscellaneous Expenses for Interfund Borrowing expense, and Cash Contract Cities Facilities Maintenance expenditures totaling \$681,148.

Offsetting the General Fund expenditure increases is a \$1,150,214 decrease to expenditures from the revised March Mid-Year Budget Adjustment. Subsequent to the Board's approval of the March Mid-Year Budget Adjustment, staff determined that the staff report and one of the attachments had an incorrect expenditure figure that needed to be revised lower to accurately reflect the intended adjustment for Board consideration. Therefore, the amended redline version of the Mid-Year Budget Adjustment staff report and attachment are provided to correct the expenditure adjustment.

Fund 190 (Self-Insurance) - \$140,000 increase to expenditures

Attachment(s)

- A. Redlined FY2019/20 Mid-Year Budget Adjustments Staff Report
- B. Redlined FY2019/20 Mid-Year Budget Adjustments Attachment 1



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
March 26, 2020

Agenda Item No. 2C
Consent Calendar

FY 2019/20 Mid-Year Budget Adjustment

Contact(s) for Further Information

Robert Cortez, Assistant Chief
 Business Services Department

robertcortez@ocfa.org

714.573.6012

Tricia Jakubiak, Treasurer

triciajakubiak@ocfa.org

714.573.6301

Summary

This item is submitted to request approval to adjust revenues, expenditures and transfers to reflect changes identified after adoption of the FY 2019/20 budget.

Prior Board/Committee Action

Budget and Finance Committee Recommendation: *APPROVE*

A comprehensive mid-year financial review was presented to the Budget and Finance Committee and the Board of Directors in January, highlighting proposed mid-year changes that are needed to the FY 2019/20 budget based on events that have occurred since the budget was adopted last May. The Board directed staff to return in March with the technical budget adjustments required to implement the proposed changes.

At its regular March 11, 2020, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

RECOMMENDED ACTION(S)

Authorize the proposed mid-year budget adjustments and transfers.

Impact to Cities/County

The proposed mid-year adjustments to the FY 2019/20 budget will have no impact to cash contract city charges in the current fiscal year. Future increases for cash contract cities are currently estimated at 4.5% per year for FYs 2020/21 and 2021/22 based on the Five-Year Financial Forecast.

Fiscal Impact

Financial impact is detailed in the report.

Background

This report is submitted to request approval of the technical budget adjustments following the January mid-year financial review. The following is a summary of the significant changes being requested (See Attachment 1 for the total proposed adjustment for each Fund).

The following are estimated changes to the General Fund budget that are needed, since the adoption of the FY 2019/20 budget in May 2019. Overall the currently proposed changes in the General Fund result in an estimated total revenue increase of approximately \$10.7 million and an estimated

total expenditure increase of ~~\$11.4~~ 10.2 million. Of the ~~\$11.4~~ 10.2 million in expenditure increases, \$5.3 million are cost neutral as they are offset by corresponding sources of revenue. These adjustments are further described below:

FY 2019/20 Potential Revenue Adjustments - \$10.7 million

Property Taxes: Based on secured tax billings provided by the Auditor/Controller, preliminary projections indicate an approximate \$2,265,000 increase over budget.	\$2,265,000
Assistance by Hire (ABH): ABH is the term used when OCFA responds to requests for assistance to incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$4.4 million greater than budget due to various out-of-county responses. Staff will be monitoring this source of revenue for additional reimbursements. An expenditure adjustment is also proposed to the overtime/backfill category to cover the costs associated with providing the ABH services.	\$4,431,475
Grant/Other Reimbursements: This category represents reimbursements for grants or other programs, such as California Fire Fighter Joint Apprenticeship Committee (CFFJAC), where expenditures are reimbursed once incurred.	\$605,040
Miscellaneous: This category of revenue adjustments includes the following: re-categorization of CAL FIRE contract revenues, updates to cash contract city maintenance charges; witness fees, miscellaneous revenue, revenue from SCE, and restitution.	\$3,440,042

FY 2019/20 Potential Expenditure Adjustments - \$10.2 million

Assistance by Hire/Emergency Incident Costs: As mentioned under Revenue for Assistance by Hire, an adjustment of approximately \$4.7 million is needed for out-of-county responses, primarily in the overtime/backfill category, but also for response-related supplies. This category also comprises the expenditures for up-staffing of Strike Teams that occurred during the wind events in the first half of the fiscal year. Of this \$4.7 million expenditure increase for ABH and up staffing of strike teams, the offsetting revenue reimbursement is currently estimated at \$4.4 million. An additional portion of these expenditures may still be determined to be reimbursable, as staff continues the process of reviewing cost details and submitting eligible costs for reimbursement.	\$4,699,835⁽¹⁾
Adjustment for Workers' Compensation Updated Actuarial: The latest Workers' Compensation Actuarial Study was completed end of February and includes payroll and claim data through December 31, 2019. A \$1.7 million adjustment is needed to augment the required funding level for the present value of ultimate limited losses.	\$1,718,921
Supplies/Equipment/Professional Services: This category captures one-time costs which have increased since budget development, or were unknown at budget development, including fuel (\$300,000), incident management team costs (\$150,000), suppression personal protective equipment (\$500,000), phone lines/data circuits (\$272,700), communication installations in vehicles (\$250,000), and Irvine reimbursement using Maruchan funds (\$507,495).	\$2,431,574

CAL FIRE Augmentation Funds: This expenditure category represents the final appropriation of CAL FIRE restricted funds already received from CAL FIRE (the restricted revenue was previously recognized in the budget, but the associated expenditures were not yet included in the budget). The funds are restricted to purposes determined by CAL FIRE to be supportive of the mission related to drought augmentation. \$762,878

Expenditures with Revenue Offset: These expenditure items are completely offset by a corresponding revenue adjustment and include CFFJAC, US&R 2018 Grant supplement and CAL FIRE defensible space inspection tablets. \$605,040⁽¹⁾

Interfund Borrowing: At the time of budget development, staff was in the process of analyzing if OCFA's cash flow needs could be met with interfund borrowing in lieu of issuing a Tax and Revenue Anticipation Note. When the budget was adopted in May, the analysis had been completed and the Board approved interfund borrowing as our temporary cash flow management mechanism in FY 2019/20. For interfund borrowing, money is borrowed from the Capital Improvement Program (CIP) and Workers' Compensation (W/C) Self-Insurance funds, temporarily loaned to the General Fund, then repaid back with interest once property tax revenues are received. The interest is reflected as a cost to the General Fund. This adjustment funds the interest owed from the General Fund to the CIP and W/C funds associated with the borrowing. \$600,000

¹ This expenditure increase is cost neutral, offset by a corresponding revenue source.

General Fund and Capital Improvement Program Funds –and Budget Transfer Adjustments

- **Budgeted beginning fund balances:** As part of the annual mid-year adjustment, budgeted beginning fund balances will be adjusted in accordance with the FY 2018/19 year-end audit. These increases resulted primarily from additional revenue received in the fiscal year, as well as salary savings and S&S savings in the General Fund. The beginning fund balance adjustments for Capital Improvement Program (CIP) Funds largely result from the timing for completion of projects. Funds for projects that did not get completed were carried-over to FY 2019/20.

Following the review of the Workers' Compensation Actuarial Study provided in February 2020, staff will hold off on making the \$5.5 million transfer from Self-Insurance Fund 190 to the General Fund CIP Fund 12110 and the Fire Stations and Facilities Fund 123 in the amount of \$2.75 million each. The purpose of the transfer is to provide funding for modifying existing fire stations to enhance gender accommodations. The possibility of the transfer will be reevaluated as part of year end.

- **Fund 12110 – General Fund CIP:** An adjustment increasing expenditures in the amount of \$377,878 is needed for the following projects: Fire Station (FS) 32 requires new security fencing and a gate, bathroom improvements at FS 14, 16 and 32, and Dormitory Privacy at FS 53.
- **Fund 123 – Fire Stations and Facilities:** An adjustment increasing revenue by \$578,000 is needed to reflect developer contributions.
- **Fund 124 – Communications and Information Systems:** An adjustment to increase revenue by \$40,000 is needed to reflect interest earnings and an adjustment decreasing expenditures in the amount of \$180,000 is needed in the Fund. The OCFA Enterprise Audio Video Improvements Project is being deferred to subsequent fiscal years, while a new Emergency Medical Services (EMS) Immunization Tracking Program is being initiated.

- **Fund 139 – Settlement Agreement:** An adjustment of \$55,000 is needed to increase revenue from interest earnings and an adjustment increasing expenditures in the amount of \$10,000 is needed to accommodate Trustee and Public Agency Retirement Services (PARS) fees for administering the 115 Trust. In addition, \$507,495 of Maruchan Funds are being transferred back to the General Fund.
- **Fund 190 - Self Insurance:** A net revenue adjustment of \$2,492,104 is needed to reflect the workers' compensation payroll adjustment, described above, as well as an adjustment to expected earnings in the fund.

The attached Combined Budget Summary (Attachment 2) represents the total adjusted budget for the OCFA and details the revenue and expenditure budgets in each fund assuming these proposed adjustments are approved.

Attachment(s)

1. FY 2019/20 Mid-Year Budget Adjustments
2. Combined Budget Summary

FY 2019/2020 Mid-Year Budget Adjustments

The following adjustments to the FY 2019/20 budget are requested:

General Fund (Fund 121)

Revenues: \$10,741,557 increase

Expenditures: ~~\$11,392,727~~ 10,242,513 increase

General Fund CIP (Fund 12110)

Expenditures: \$377,878 increase

Fire Stations and Facilities Fund (Fund 123)

Revenues: \$578,000 increase

Communications and Information Systems Fund (Fund 124)

Revenues: \$40,000 increase

Expenditures: \$180,000 decrease

Fire Apparatus Fund (Fund 133)

Revenues: \$98,000 decrease

Irvine Settlement Agreement Fund (Fund 139)

Revenues: \$55,000 increase

Expenditures: \$497,495 decrease

Structural Fire Fund Entitlement Fund (Fund 171)

Revenues: \$4,000 increase

Self-Insurance Fund (Fund 190)

Revenues: \$2,492,104 increase



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
June 10, 2020

Agenda Item No. 3A
Discussion Calendar

Monthly Investment Reports

Contact(s) for Further Information

Tricia Jakubiak, Treasurer
Treasury & Financial Planning

triciajakubiak@ocfa.org

714.573.6301

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 June 25, 2020, 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 April 30, 2020. A preliminary investment report as of May 22, 2020, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – April 2020/Preliminary Report – May 2020

Orange County Fire Authority Monthly Investment Report



Final Report – April 2020

Preliminary Report – May 2020



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Orange County Fire Authority

Final Investment Report

April 30, 2020



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of April 2020, the size of the portfolio increased significantly by \$65.6 million to \$217.6 million. Significant receipts for the month included the sixth apportionment of secured property taxes in the amount of \$87.9 million. Significant receipts also included 2 cash contract payments, intergovernmental contract and grant payments and other charges for current services totaling \$6.6 million. Significant disbursements for the month included primarily two biweekly payrolls which were approximately \$14.0 million each with related benefits. Total April cash outflows amounted to approximately \$31.5 million. The portfolio's balance is expected to decrease in May as there are no major receipts scheduled for the month.

In April, the portfolio's yield to maturity (365-day equivalent) declined by 62 basis points to 0.81%. The effective rate of return decreased by 56 basis points to 1.05% for the month, and decreased by 10 basis points to 1.91% for the fiscal year to date. The average maturity of the portfolio lengthened by 29 days to 45 days to maturity.

Economic News

The U.S. economy collapsed in April as the coronavirus self-isolation has made Americans fearful of what the future holds for them. Employment conditions worsened as 20.5 million jobs were lost, and the unemployment rate surged from 4.4% to 14.7%. Retail sales fell by 16.4% in April, its largest monthly decline since 1919. Consumer confidence measures weakened significantly. The Institute of Supply Management (ISM) index fell sharply to 41.5 in April. An average index reading below 42.8 means a recession for the broader economy. Both manufacturing and non-manufacturing sectors declined. Industrial production which includes mining and utilities, posted its steepest drop in history, 11.2%. The CPI (Consumer Price Index) declined 0.8% for the month amid demand shock as most of the nation shut down. Existing homes sales fell 17.8% in April, the largest decline in 10 years. However, new home sales unexpectedly rose 0.6%. On April 29, 2020, the Federal Open Market Committee voted to keep the federal funds rate unchanged at the target range of 0.0% - 0.25%. The Committee stated "the coronavirus pandemic poses considerable risks to the economic outlook over the medium term." As a result, the Fed Chair Powell has indicated they will hold rates near zero as long as needed to get the economy back on track.

BENCHMARK COMPARISON AS OF APRIL 30, 2020

3 Month T-Bill: 0.14%

1 Year T-Bill: 0.18%

6 Month T-Bill: 0.17%

LAIF: 1.65%

OCFA Portfolio: 1.61%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$217,674,581	\$152,023,274	\$211,723,024
Yield to Maturity (365 day)	0.81%	1.43%	2.36%
Effective Rate of Return	1.05%	1.61%	2.31%
Days to Maturity	45	16	65



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
April 30, 2020

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call / Maturity	YTM / Call 360 Equiv.	YTM / Call 365 Equiv.
Money Mkt Mutual Funds/Cash	28,432,105.62	28,432,105.62	28,432,105.62	13.04	1	1	0.010	0.010
Federal Agency Coupon Securities	39,590,000.00	39,655,066.82	39,668,878.04	18.19	1,271	60	0.727	0.737
Federal Agency Disc. -Amortizing	75,000,000.00	74,974,590.00	74,966,245.97	34.38	127	98	0.318	0.322
Local Agency Investment Funds	75,000,000.00	75,561,076.13	75,000,000.00	34.39	1	1	1.625	1.648
Investments	218,022,105.62	218,622,838.57	218,067,229.63	100.00%	275	45	0.802	0.813

Cash and Accrued Interest

Passbook/Checking (not included in yield calculations)	(See Note 4 on page 9)	-618,515.51	-618,515.51	-618,515.51	0	0	0.000	0.000
Accrued Interest at Purchase			84,052.15	84,052.15				
Subtotal			-534,463.36	-534,463.36				
Total Cash and Investments		217,403,590.11	218,088,375.21	217,532,766.27	275	45	0.802	0.813

Total Earnings	April 30 Month Ending	Fiscal Year To Date
Current Year	136,224.86	2,398,049.82
Average Daily Balance	157,828,902.64	150,511,605.82
Effective Rate of Return	1.05%	1.91%

"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, 2020. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 217,532,766.27
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 141,814.96
Total	\$ 217,674,581.23

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
April 30, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call / Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations (See Note 4 on page 9)			28,432,105.62	28,432,105.62	28,432,105.62	0.010	0.010	1	
Subtotal and Average			17,701,523.62		28,432,105.62	28,432,105.62	28,432,105.62		0.010	1	
Federal Agency Coupon Securities											
3134GVEH7	999	Fed Home Loan Mtg Corp (Callable on 6/5/20) 03/31/2020			11,000,000.00	11,006,160.00	11,014,141.87	1.875	1.170	35	03/05/2025
3135G0X65	1004	Fed Natl Mortg Assoc (Callable on 7/24/20) 04/23/2020			12,000,000.00	12,046,080.00	12,047,554.62	1.850	0.130	84	07/24/2023
3135G03D3	1005	Fed Natl Mortg Assoc (Callable on 10/20/20) 04/23/2020			4,000,000.00	4,004,800.00	4,006,370.44	0.750	0.410	172	04/20/2023
3134GVCY2	996	Freddie Mac (Callable on 5/28/20) 03/18/2020			11,000,000.00	11,008,030.00	11,010,649.57	1.800	1.149	27	02/28/2023
3130AEAH3	997	Fed Home Loan Bank 03/20/2020			1,590,000.00	1,589,996.82	1,590,161.54	1.521	0.305	3	05/04/2020
Subtotal and Average			28,642,438.24		39,590,000.00	39,655,066.82	39,668,878.04		0.737	60	
Federal Agency Disc. -Amortizing											
313396J20	1000	Freddie Mac 04/23/2020			12,000,000.00	11,993,280.00	11,994,353.33	0.110	0.113	154	10/02/2020
313396G49	1001	Freddie Mac 04/23/2020			12,000,000.00	11,993,880.00	11,994,866.66	0.110	0.113	140	09/18/2020
313396E66	1002	Freddie Mac 04/23/2020			12,000,000.00	11,994,600.00	11,995,380.00	0.110	0.113	126	09/04/2020
313396C84	1003	Freddie Mac 04/23/2020			12,000,000.00	11,995,560.00	11,995,893.33	0.110	0.113	112	08/21/2020
313384YQ6	1006	Fed Home Loan Bank 04/23/2020			12,000,000.00	11,998,080.00	11,999,066.66	0.050	0.051	56	06/26/2020
313384XL8	992	Fed Home Loan Bank 12/19/2019			11,000,000.00	10,999,230.00	10,986,738.89	1.550	1.605	28	05/29/2020
313384WL9	998	Fed Home Loan Bank 03/20/2020			4,000,000.00	3,999,960.00	3,999,947.10		0.122	4	05/05/2020
Subtotal and Average			36,472,366.10		75,000,000.00	74,974,590.00	74,966,245.97		0.322	98	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,561,076.13	75,000,000.00	1.648	1.648	1	
Subtotal and Average			75,012,574.69		75,000,000.00	75,561,076.13	75,000,000.00		1.648	1	
Total and Average			157,828,902.64		218,022,105.62	218,622,838.57	218,067,229.63		0.813	45	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
April 30, 2020

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		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	-638,515.51	-638,515.51	-638,515.51	(See Note 4 on page 9)	0.000	1
Average Balance			0.00	Accrued Interest at Purchase		84,052.15	84,052.15			0
				Subtotal		-534,463.36	-534,463.36			
Total Cash and Investments			157,828,902.64		217,403,590.11	218,088,375.21	217,532,766.27		0.813	45

Orange County Fire Authority

In service of others!



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of May 1, 2020

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	(05/01/2020 - 05/01/2020)	4 Maturities	0 Payments	102,813,590.11	47.28%	102,813,590.11	103,374,666.24
Aging Interval:	1 - 30 days	(05/02/2020 - 05/31/2020)	3 Maturities	0 Payments	16,590,000.00	7.62%	16,576,847.53	16,589,186.82
Aging Interval:	31 - 60 days	(06/01/2020 - 06/30/2020)	1 Maturities	0 Payments	12,000,000.00	5.52%	11,999,066.66	11,998,080.00
Aging Interval:	61 - 91 days	(07/01/2020 - 07/31/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	(08/01/2020 - 08/30/2020)	1 Maturities	0 Payments	12,000,000.00	5.52%	11,995,893.33	11,995,560.00
Aging Interval:	122 - 152 days	(08/31/2020 - 09/30/2020)	2 Maturities	0 Payments	24,000,000.00	11.03%	23,990,246.66	23,988,480.00
Aging Interval:	153 - 183 days	(10/01/2020 - 10/31/2020)	1 Maturities	0 Payments	12,000,000.00	5.52%	11,994,353.33	11,993,280.00
Aging Interval:	184 - 274 days	(11/01/2020 - 01/30/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(01/31/2021 - 05/01/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(05/02/2021 - 05/01/2023)	2 Maturities	0 Payments	15,000,000.00	6.91%	15,017,020.01	15,012,830.00
Aging Interval:	1096 - 1825 days	(05/02/2023 - 04/30/2025)	2 Maturities	0 Payments	23,000,000.00	10.61%	23,061,696.49	23,052,240.00
Aging Interval:	1826 days and after	(05/01/2025 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			16 Investments	0 Payments		100.00	217,448,714.12	218,004,323.06



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



Local Agency Investment Fund (LAIF)

As of April 30, 2020, OCFA has \$75,000,000 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, 2020 is 1.007481015. When applied to OCFA's LAIF investment, the fair value is \$75,561,076 or \$561,076 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 April 30, 2020 is included on the following page.



Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



Orange County Fire Authority

Preliminary Investment Report

May 22, 2020



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
May 22, 2020

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

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call / Maturity	YTM / Call 360 Equiv.	YTM / Call 365 Equiv.
Federal Agency Coupon Securities	38,000,000.00	38,041,530.00	38,047,454.32	20.67	1,322	41	0.745	0.755
Federal Agency Disc. -Amortizing	71,000,000.00	70,980,320.00	70,980,311.66	38.57	131	82	0.329	0.334
Local Agency Investment Funds	75,000,000.00	75,561,076.13	75,000,000.00	40.75	1	1	1.625	1.648
Investments	184,000,000.00	184,582,926.13	184,027,765.98	100.00%	324	40	0.943	0.956

Cash and Accrued Interest

Passbook/Checking (not included in yield calculations)	12,531,293.57	12,531,293.57	12,531,293.57		1	1	0.000	0.000
Accrued Interest at Purchase		81,029.16	81,029.16					
Subtotal		12,612,322.73	12,612,322.73					
Total Cash and Investments	196,531,293.57	197,195,248.86	196,640,088.71		324	40	0.943	0.956

Total Earnings	May 22 Month Ending	Fiscal Year To Date
Current Year	97,536.33	2,495,586.15
Average Daily Balance	203,180,272.11	154,055,063.49
Effective Rate of Return	0.80%	1.81%

"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, 2020. 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

5/29/20

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 196,640,088.71
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 141,814.96
Total	\$ 196,781,903.67

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
May 22, 2020

						(See Note 1 on page 18)	(See Note 2 on page 18)				
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call / Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			18,200,178.80		0.00	0.00	0.00		0.000	0	
Federal Agency Coupon Securities											
3134GVEH7	999	Fed Home Loan Mtg Corp (Callable on 6/5/20)		03/31/2020	11,000,000.00	11,004,620.00	11,004,991.25	1.875	1.170	13	03/05/2025
3135G0X65	1004	Fed Natl Mortg Assoc (Callable on 7/24/20)		04/23/2020	12,000,000.00	12,031,320.00	12,034,949.78	1.850	0.130	62	07/24/2023
3135G03D3	1005	Fed Natl Mortg Assoc (Callable on 10/20/20)		04/23/2020	4,000,000.00	4,004,600.00	4,005,541.15	0.750	0.410	150	04/20/2023
3134GVCY2	996	Freddie Mac (Callable on 5/28/20)		03/18/2020	11,000,000.00	11,000,990.00	11,001,972.14	1.800	1.149	5	02/28/2023
Subtotal and Average			38,279,200.44		38,000,000.00	38,041,530.00	38,047,454.32		0.755	41	
Federal Agency Disc. -Amortizing											
313396J20	1000	Freddie Mac		04/23/2020	12,000,000.00	11,994,000.00	11,995,160.00	0.110	0.113	132	10/02/2020
313396G49	1001	Freddie Mac		04/23/2020	12,000,000.00	11,995,080.00	11,995,673.33	0.110	0.113	118	09/18/2020
313396E66	1002	Freddie Mac		04/23/2020	12,000,000.00	11,995,680.00	11,996,186.67	0.110	0.113	104	09/04/2020
313396C84	1003	Freddie Mac		04/23/2020	12,000,000.00	11,996,520.00	11,996,700.00	0.110	0.113	90	08/21/2020
313384YQ6	1006	Fed Home Loan Bank		04/23/2020	12,000,000.00	11,999,040.00	11,999,433.33	0.050	0.051	34	06/26/2020
313384XL8	992	Fed Home Loan Bank		12/19/2019	11,000,000.00	11,000,000.00	10,997,158.33	1.550	1.605	6	05/29/2020
Subtotal and Average			71,700,892.87		71,000,000.00	70,980,320.00	70,980,311.66		0.334	82	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,561,076.13	75,000,000.00	1.648	1.648	1	
Subtotal and Average			75,000,000.00		75,000,000.00	75,561,076.13	75,000,000.00		1.648	1	
Total and Average			203,180,272.11		184,000,000.00	184,582,926.13	184,027,765.98		0.956	40	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
May 22, 2020

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		07/01/2019	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2019	12,511,293.57	12,511,293.57	12,511,293.57		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		81,029.16	81,029.16			1
				Subtotal		12,612,322.73	12,612,322.73			
Total Cash and Investments			203,180,272.11		196,531,293.57	197,195,248.86	196,640,088.71		0.956	40

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of May 23, 2020

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	(05/23/2020 - 05/23/2020)	4 Maturities	0 Payments	87,531,293.57	44.53%	87,531,293.57	88,092,369.70
Aging Interval: 1 - 30 days	(05/24/2020 - 06/22/2020)	1 Maturities	0 Payments	11,000,000.00	5.59%	10,997,158.33	11,000,000.00
Aging Interval: 31 - 60 days	(06/23/2020 - 07/22/2020)	1 Maturities	0 Payments	12,000,000.00	6.10%	11,999,433.33	11,999,040.00
Aging Interval: 61 - 91 days	(07/23/2020 - 08/22/2020)	1 Maturities	0 Payments	12,000,000.00	6.10%	11,996,700.00	11,996,520.00
Aging Interval: 92 - 121 days	(08/23/2020 - 09/21/2020)	2 Maturities	0 Payments	24,000,000.00	12.21%	23,991,860.00	23,990,760.00
Aging Interval: 122 - 152 days	(09/22/2020 - 10/22/2020)	1 Maturities	0 Payments	12,000,000.00	6.10%	11,995,160.00	11,994,000.00
Aging Interval: 153 - 183 days	(10/23/2020 - 11/22/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(11/23/2020 - 02/21/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(02/22/2021 - 05/23/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(05/24/2021 - 05/23/2023)	2 Maturities	0 Payments	15,000,000.00	7.64%	15,007,513.29	15,005,590.00
Aging Interval: 1096 - 1825 days	(05/24/2023 - 05/22/2025)	2 Maturities	0 Payments	23,000,000.00	11.72%	23,039,941.03	23,035,940.00
Aging Interval: 1826 days and after	(05/23/2025 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		14 Investments	0 Payments		100.00	196,559,059.55	197,114,219.70



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2019 includes an increase of \$111,266 to the LAIF investment and an increase of \$30,549 to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

GLOSSARY

INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot 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.

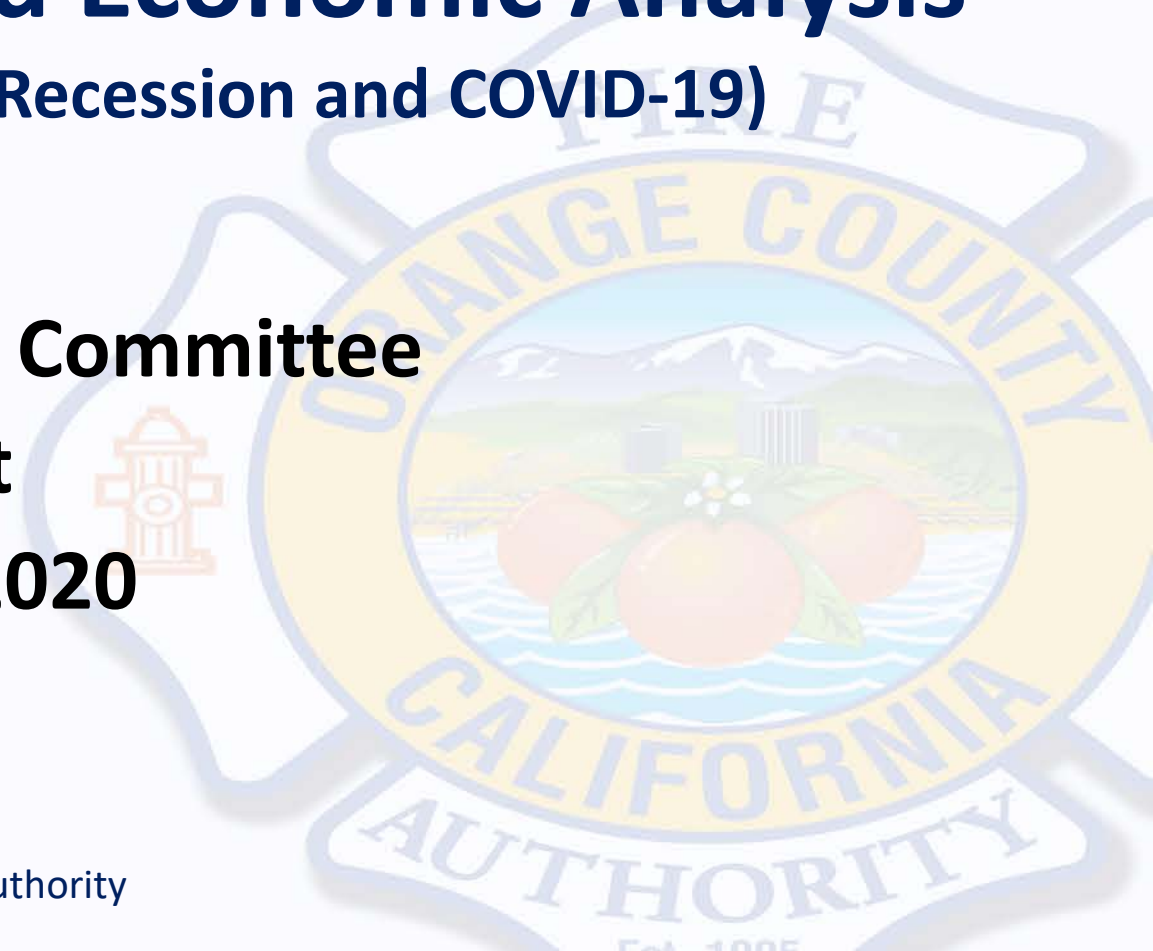
Producer Price Index. An index that measures the average change over time in the selling prices received by domestic producers for their output.

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.

Property Tax Revenue and Economic Analysis

(Comparison between the Great Recession and COVID-19)

**Budget & Finance Committee
Report
June 10, 2020**



Secured Property Tax Growth Rates

Growth rates provided by Harris & Associates:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Baseline Scenario	4.9%*	4.54%	2.96%	2.75%	3.78%	3.66%
Conservative Scenario	5.6%	2.39%	-0.38%	2.20%	2.00%	2.00%

*Projected by OCFA staff based on actual receipts.

Actual growth rates:

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Great Recession Scenario	10.62%	3.22%	-2.21%	-0.89%	0.94%	1.83%

Five-Year Financial Forecast

Baseline Scenario

	<i>Adjusted</i> FY 2019/20	<i>Year 1</i> FY 2020/21	<i>Year 2</i> FY 2021/22	<i>Year 3</i> FY 2022/23	<i>Year 4</i> FY 2023/24	<i>Year 5</i> FY 2024/25
Beginning Fund Balance	206,299,209	176,848,035	170,639,304	165,978,544	157,872,067	160,688,449
General Fund Revenues	463,700,242	450,009,079	462,562,470	475,389,441	490,263,161	504,424,539
General Fund Expenditures	450,145,094	418,063,426	430,808,244	436,615,294	440,989,199	449,035,592
Paydown of UAAL	13,678,830	12,368,859	14,279,280	17,787,217	20,772,547	21,814,115
Total General Fund Expenditures	463,823,924	430,432,285	445,087,524	454,402,511	461,761,746	470,849,708
Net General Fund Revenue	(123,682)	19,576,793	17,474,946	20,986,930	28,501,415	33,574,831
Less Incremental Increase in 10% GF Op. Cont.	-	-	1,007,682	847,505	437,390	804,639
General Fund Surplus / (Deficit)	(123,682)	19,576,793	16,467,264	20,139,425	28,064,024	32,770,192
Operating Transfer to CIP Funds	-	19,576,793	16,467,264	20,139,425	28,064,024	32,770,192
Paydown of UAAL from General Fund Surplus	-	-	-	-	-	-
CIP/Other Revenues	30,216,305	45,400,114	44,819,305	49,862,433	56,619,451	62,988,471
CIP/Other Expenses	55,513,625	51,608,845	50,487,747	58,816,415	54,240,459	45,561,494
CIP Surplus / (Deficit)	(25,297,320)	(6,208,731)	(5,668,442)	(8,953,982)	2,378,992	17,426,977
Ending Fund Balance	176,848,035	170,639,304	165,978,544	157,872,067	160,688,449	178,920,066

Five-Year Financial Forecast

Conservative Scenario

	<i>Adjusted</i> FY 2019/20	<i>Year 1</i> FY 2020/21	<i>Year 2</i> FY 2021/22	<i>Year 3</i> FY 2022/23	<i>Year 4</i> FY 2023/24	<i>Year 5</i> FY 2024/25
Beginning Fund Balance	206,299,209	176,848,035	164,458,862	143,176,979	116,149,806	93,872,812
General Fund Revenues	463,700,242	443,828,637	446,115,031	456,855,143	465,819,320	473,890,744
General Fund Expenditures	450,145,094	418,063,426	430,808,244	436,615,294	440,989,199	449,035,592
Paydown of UAAL	13,678,830	12,368,859	14,279,280	17,787,217	20,772,547	21,814,115
Total General Fund Expenditures	463,823,924	430,432,285	445,087,524	454,402,511	461,761,746	470,849,708
Net General Fund Revenue	(123,682)	13,396,351	1,027,507	2,452,632	4,057,574	3,041,037
Less Incremental Increase in 10% GF Op. Cont.	-	-	1,007,682	847,505	437,390	804,639
General Fund Surplus / (Deficit)	(123,682)	13,396,351	19,825	1,605,127	3,620,184	2,236,397
Operating Transfer to CIP Funds	-	13,396,351	19,825	1,605,127	3,620,184	2,236,397
Paydown of UAAL from General Fund Surplus	-	-	-	-	-	-
CIP/Other Revenues	30,216,305	39,219,672	28,198,182	30,941,737	31,526,075	31,466,916
CIP/Other Expenses	55,513,625	51,608,845	50,487,747	58,816,415	54,240,459	45,561,494
CIP Surplus / (Deficit)	(25,297,320)	(12,389,173)	(22,289,565)	(27,874,678)	(22,714,384)	(14,094,577)
Ending Fund Balance	176,848,035	164,458,862	143,176,979	116,149,806	93,872,812	80,582,875

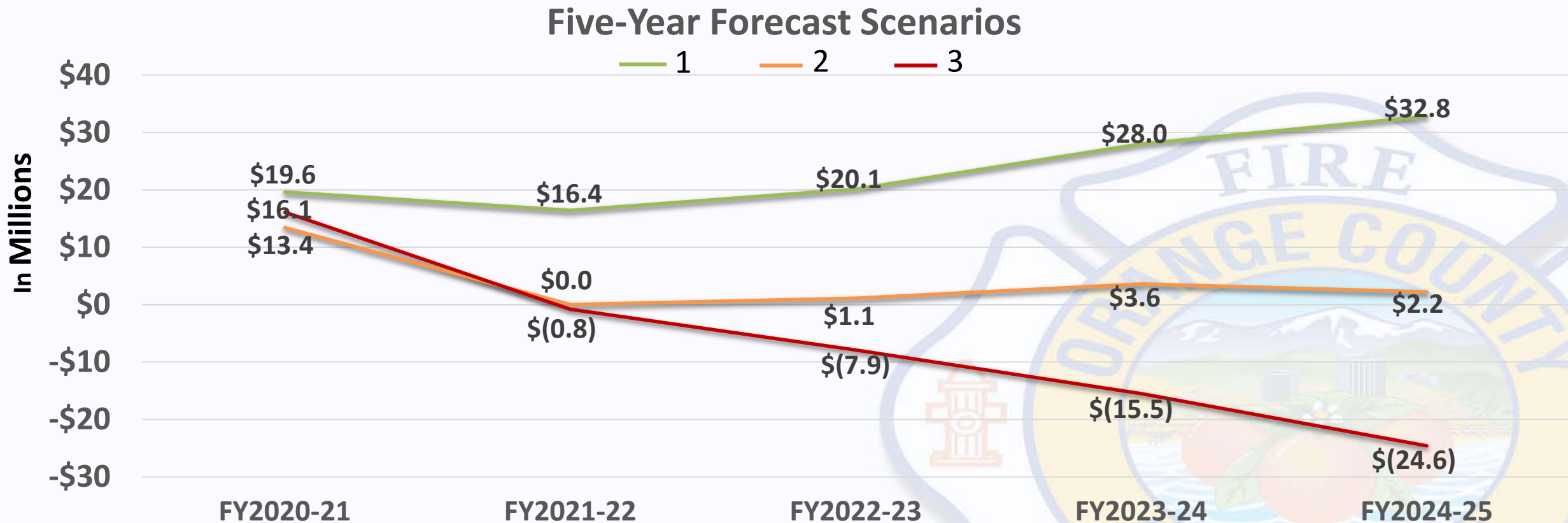
Five-Year Financial Forecast

Great Recession Scenario

	<i>Adjusted</i> FY 2019/20	<i>Year 1</i> FY 2020/21	<i>Year 2</i> FY 2021/22	<i>Year 3</i> FY 2022/23	<i>Year 4</i> FY 2023/24	<i>Year 5</i> FY 2024/25
Beginning Fund Balance	206,299,209	176,848,035	167,236,848	145,172,332	109,446,837	75,908,807
General Fund Revenues	463,700,242	446,606,623	445,299,919	448,142,728	454,592,171	462,606,302
General Fund Expenditures	450,145,094	418,063,426	430,808,244	436,615,294	440,989,199	449,035,592
Paydown of UAAL	13,678,830	12,368,859	14,279,280	17,787,217	20,772,547	21,814,115
Total General Fund Expenditures	463,823,924	430,432,285	445,087,524	454,402,511	461,761,746	470,849,708
Net General Fund Revenue	(123,682)	16,174,337	212,394	(6,259,783)	(7,169,575)	(8,243,405)
Less Incremental Increase in 10% GF Op. Cont.	-	-	1,007,682	1,642,792	8,339,966	16,314,180
General Fund Surplus / (Deficit)	(123,682)	16,174,337	(795,287)	(7,902,575)	(15,509,541)	(24,557,585)
Operating Transfer to CIP Funds	-	16,174,337	-	-	-	-
Paydown of UAAL from General Fund Surplus	-	-	-	-	-	-
CIP/Other Revenues	30,216,305	41,997,658	28,210,836	29,350,703	27,872,004	29,142,153
CIP/Other Expenses	55,513,625	51,608,845	50,487,747	58,816,415	54,240,459	45,561,494
CIP Surplus / (Deficit)	(25,297,320)	(9,611,187)	(22,276,911)	(29,465,712)	(26,368,455)	(16,419,341)
Ending Fund Balance	176,848,035	167,236,848	145,172,332	109,446,837	75,908,807	51,246,061

Five-Year Financial Forecast Scenarios

GF Surplus/(Deficit) – Yellow Line



1 - Approved 2020/21 Budget and 0% Salary Increase After MOU Expires 21/22

2 - Scenario 1 Plus Conservative Property Tax Projections tied to COVID-19 Impacts

3 - Scenario 1 Plus Great Recession Property Tax Growth Rates

Economic Analysis Comparison

	Great Recession	COVID-19
Employment	8.6M Jobs Lost	40M Jobs Lost
Unemployment	Highest 10% (Oct. 2009)	14.7% (April 2020)
Gross Domestic Product (GDP)	-0.3% 2008 -2.8% in 2009	-5% (1 st Quarter 2020)
Mortgage Rates	4.8% low point	Currently 3.15%
Home Prices	-33% on average	4.5% increase (March 2020)

OCFA's Revenue Base Dropped by an Estimated \$14.2M During the Great Recession:

- Property Tax Revenue Declined \$7.5M
- State & Federal Funding Declined 42%
- Community Risk Reduction Fees and Interest Earnings Declined

Questions/Comments

