



ORANGE COUNTY FIRE AUTHORITY

AGENDA

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

EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, March 26, 2020

5:30 P.M.

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, CA 92602

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact 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.

COVID-19 Accommodations: OCFA FACILITIES ARE CURRENTLY CLOSED TO THE PUBLIC. In compliance with the Executive Department/State of California Executive Order N-29-20, this meeting will be available telephonically or otherwise electronically to satisfy any requirement that the body allow members of the public to attend the meeting and offer public comment. Please visit www.OCFA.org for more information on the Committee meeting's participation process.

CALL TO ORDER

INVOCATION by OCFA Chaplain Emily McColl

PLEDGE OF ALLEGIANCE by Chair Hasselbrink

ROLL CALL

1. PRESENTATIONS

No items.

REPORTS

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR

PUBLIC COMMENTS

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

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

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

COVID-19 Accommodations: Public Comments will be accepted via email at March26PublicComments@ocfa.org. Comments may be submitted in reference to a specific item on the agenda or on items within the Committee's subject matter jurisdiction, but which are not listed on the agenda. All written comments will be distributed in writing via email to the Executive Committee Members. Only those that are designed "TO BE READ ALOUD" in the subject line will be read aloud, and then will be read aloud for up to three minutes each, then reading will stop, and the balance will be distributed via email to the Committee Members. The time allotted to reading of comments aloud may be reduced by the Committee Chair depending on the volume of comments received.

2. CONSENT CALENDAR

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

A. Minutes from the February 27, 2020, Regular Executive Committee Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted. The Clerk will record abstentions for those Directors who were not in attendance at this meeting.

B. Monthly Investment Reports

Submitted by: Tricia Jakubiak, Treasurer

Budget and Finance Committee Recommendation: *APPROVE*

Recommended Action:

Receive and file the reports.

C. Professional Labor Negotiation Services

Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau

Recommended Action:

Approve and authorize the Purchasing Manager to extend the Professional Services Agreement with Peter Brown, Liebert Cassidy Whitmore, for professional labor negotiation services for a three-year term (July 1, 2020, to June 30, 2023), at an annual amount not-to-exceed \$125,000.

END OF CONSENT CALENDAR

3. DISCUSSION CALENDAR

No items.

CLOSED SESSION

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Orange County Fire Executive Committee is scheduled for Thursday, April 23, 2020, at 5:30 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 19th day of March 2020.

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

UPCOMING MEETINGS:

Budget and Finance Committee Meeting

Wednesday, April 8, 2020, 12 noon

Executive Committee Meeting

Thursday, April 23, 2020, 5:30 p.m.

Board of Directors Meeting

Thursday, April 23, 2020, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting
Thursday, February 27, 2020
5:30 P.M.**

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

CALL TO ORDER

Chair Hasselbrink called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on February 27, 2020.

INVOCATION

The invocation was led by Senior Chaplain Dave Keehn.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Shelley Hasselbrink, Los Alamitos
Noel Hatch, Laguna Woods
Joe Muller, Dana Point
Vince Rossini, Villa Park
Ed Sachs, Mission Viejo
Dave Shawver, Stanton
Elizabeth Swift, Buena Park
Donald P. Wagner, County of Orange

Absent: Gene Hernandez, Yorba Linda

Also present were:

Fire Chief Brian Fennessy
Assistant Chief Randy Black
Assistant Chief Kenny Dossey
Deputy Chief Pokey Sanchez
Assistant Chief Jim Ruane
Assistant Chief Nina Collins

Deputy Chief Lori Zeller
Assistant Chief Robert Cortez
Assistant Chief Lori Smith
General Counsel David Kendig
Clerk of the Authority Sherry Wentz
Director of Communications Colleen Windsor

1. PRESENTATIONS

No items.

REPORTS

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

Human Resources Committee Chair Rossini reported at the February 4, 2020, meeting, the Committee received oral presentation updates on the Behavioral Health Program and Cancer Awareness Prevention Program. Additionally, the Committee received and filed updates on the Recruitment & Selection Unit, and the Annual Workers' Compensation Program. Lastly, the Committee held elections for the Chair and Vice Chair positions, electing unanimously Michelle Steggell as Vice Chair and himself as Chair for the ensuing term.

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

Budget and Finance Committee Vice Chair Swift reported at the February 11, 2020, special meeting, the Committee voted unanimously to send the Second Quarter Financial Newsletter and Monthly Investment Reports to the Executive Committee for its approval; and voted unanimously to send the Options to Mitigate Escalating Charges to Cash Contract Cities Beginning FY 2020/21, to the Board of Directors for approval of modified recommended actions. Staff is now gathering additional input to thoroughly vet the options, and to vet details associated with the Budget & Finance Committee's modified recommended options. Upon completion, the item will be brought through the Budget & Finance Committee again, prior to forwarding the agenda item to the Board of Directors for consideration at a future date. Lastly, the Committee held elections for the Chair and Vice Chair positions, electing unanimously Gene Hernandez as Chair and herself as Vice Chair for the ensuing term.

PUBLIC COMMENTS (F: 12.02A3)

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.

2. MINUTES

A. Minutes from the January 23, 2020, Regular Executive Committee Meeting

(F: 12.02A2)

On motion of Director Muller and second by Director Hatch, the Executive Committee voted unanimously by those present to approve the January 23, 2020, Minutes as submitted. Directors Sachs and Shawver were recorded as abstentions due to their absence from the January 23, 2020, meeting.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion by Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to receive and file the reports.

B. Second Quarter Financial Newsletter (F: 15.07)

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

C. Contract Extension for Firefighting Personal Protective Equipment (F: 19.12)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to issue a Blanket Purchase Order using the special procurement provision of the Purchasing Ordinance for firefighting PPE in an amount not to exceed \$660,000 annually (\$1,320,000 aggregate) for an initial two-year term plus three optional one-year renewals.

D. Cooperative Contract - Staff Augmentation Services (F: 19.08A2A)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with Computer Aid, Inc. to assist with development of an Immunization Records Management System in an amount not to exceed \$119,526.

E. Blanket Order Renewal for Agency-wide Internet Services (F: 19.08A2a9)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to extend the term and increase the amount of the blanket purchase order with Cogent Communications Group, Inc. for agency-wide internet services for a five-year term of a total amount not to exceed \$300,000 (\$60,000) annually.

F. Award of RFP # JA2397 Communications Equipment Installation Services (F: 19.09D9)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to:

1. Approve and authorize the Purchasing Manager to award RFP JA2397 and execute Professional Services Agreements with 911 Vehicle, Greg Johnson Company, and West Coast Lights & Sirens Inc., for as-needed vehicle communications equipment installation services for a three-year term with an annual amount not to exceed \$250,000 for each contract.
2. Approve and authorize the Purchasing Manager to redistribute or adjust the funding between the three vendors as requested by the department provided the aggregate amount does not exceed \$750,000 annually.
3. Approve and authorize the Purchasing Manager to extend the contracts for up to two additional one-year renewals with annual price increases not to exceed 3% per year or the percentage increase in the U.S. Department of Labor Consumer Price Index for All Urban Consumers, Services in the Los Angeles-Riverside-Orange County, CA Area, whichever is lower.
4. Approve and authorize the Purchasing Manager to execute Amendment Number Two to the Professional Services Agreement with 911 Vehicle to increase the contract value by \$200,000 (from \$240,000 to \$440,000) and extend the contract through February 29, 2020.

G. Architectural and Construction Management Services for OCFA Renovation Project: Fire Station 41 Air Operations (F: 17.10H3b) (X: 19.07C41)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to:

1. Approve and authorize the Purchasing Manager to issue a one-time Purchase Order in the amount of \$135,000 for OCFA Renovations Project: Station 41 Air Operations.
2. Approve and authorize the Purchasing Manager to increase the professional services agreement with Black, O'Dowd and Associates by \$150,000 to an amount not to exceed \$250,000 annually.

H. Adoption of Resolution Approving Amendments to OCFA Records Retention Schedule (F: 14.05)

On motion of Director Shawver and second by Director Wagner, the Executive Committee voted unanimously by those present to approve and adopt Resolution No. 2020-02 entitled A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE ORANGE COUNTY FIRE AUTHORITY APPROVING THE AMENDED RECORDS RETENTION SCHEDULE.

END OF CONSENT CALENDAR

4. DISCUSSION CALENDAR

No items.

CLOSED SESSION

No items.

COMMITTEE MEMBER COMMENTS (F: 12.02A4)

Director Sachs humorously commented on the Executive Committee's order of seating.

Director Swift expressed appreciation having been selected to serve again on the Executive Committee. She noted OCFA Firefighter of the Year nominee Jenna Spark and Fire Explorer of the Year nominee Ever Guerra, both from Battalion 8, were honored by the City of Buena Park at its recent City Council meeting.

Director Muller noted the City Manager of Dana Point had resigned, who previously served as a member of the City Managers Technical Advisory Committee, and at this point he is unaware of who will be replacing him.

ADJOURNMENT – Chair Hasselbrink adjourned the meeting at 5:36 p.m. The next regular meeting of the Orange County Fire Executive Committee is scheduled for Thursday, March 26, 2020, at 5:30 p.m.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
March 26, 2020

Agenda Item No. 2B
Consent 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

Budget and Finance Committee Recommendation: *APPROVE*

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

RECOMMENDED ACTION(S)

Receive and file the reports.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Attached is the final monthly investment report for the month ended January 31, 2020. A preliminary investment report as of February 21, 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 – January 2020/Preliminary Report – February 2020

Orange County Fire Authority Monthly Investment Report



Final Report – January 2020

Preliminary Report – February 2020



Monthly Investment Report Table of Contents

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Orange County Fire Authority

Final Investment Report

January 31, 2020



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of January 2020, the size of the portfolio decreased significantly by \$46.1 million to \$160.1 million. Significant receipts for the month included various apportionments of property taxes in the amount of \$17.5 million, two cash contract payments totaling \$5.4 million and various intergovernmental agency payments and other charges for current services totaling \$2.5 million. Significant disbursements for the month included primarily two biweekly payrolls which were approximately \$13 million each with related benefits and a \$40.4 million payment to OCERS for the prepayment of the retirement cost for fiscal year 2020/21. Total January cash outflows amounted to approximately \$72 million. The portfolio's balance is expected to decrease significantly in the following month as there are no major receipts expected in February.

In January, the portfolio's yield to maturity (365-day equivalent) remained at 1.73%. The effective rate of return declined by 6 basis points to 1.71% for the month and by 4 basis points to 2.08% for the fiscal year to date. The average maturity of the portfolio decreased by 10 days to 20 days to maturity.

Economic News

The U.S. economy continued to grow in January 2020. There were a total of 225,000 jobs created in January which was more than expected. The unemployment rate rose from 3.5% to 3.6% but for good reason as more people entered the labor market looking for work. Both the Conference Board Consumer Confidence and the University of Michigan Consumer Sentiment indices increased reaffirming that consumers continue to drive growth. Activity in both the manufacturing and non-manufacturing sectors increased from last month. Industrial production fell 0.3% as unseasonably warm weather held down the output of utilities and Boeing slowed production of civilian aircraft. The CPI (Consumer Price Index) rose 0.1%.



BENCHMARK COMPARISON AS OF JANUARY 31, 2020

3 Month T-Bill: 1.55%

1 Year T-Bill: 1.53%

6 Month T-Bill: 1.56%

LAIF: 1.97%

OCFA Portfolio: 1.71%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$160,111,527	\$206,205,550	\$153,781,149
Yield to Maturity (365 day)	1.73%	1.73%	2.28%
Effective Rate of Return	1.71%	1.77%	2.26%
Days to Maturity	20	30	46



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
January 31, 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	16,098,806.14	16,098,806.14	16,098,806.14	10.18	1	1	1.105	1.120
Federal Agency Coupon Securities	11,000,000.00	11,011,000.00	11,007,803.65	6.96	1,019	62	1.558	1.580
Federal Agency Disc. -Amortizing	46,200,000.00	46,108,426.00	46,105,019.31	29.14	91	48	1.585	1.607
Treasury Discounts -Amortizing	10,000,000.00	9,989,900.00	9,988,100.00	6.31	104	26	1.628	1.651
Local Agency Investment Funds	75,000,000.00	75,132,772.35	75,000,000.00	47.41	1	1	1.940	1.967
Investments	158,298,806.14	158,340,904.49	158,199,729.10	100.00%	105	20	1.705	1.729
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	1,723,538.97	1,723,538.97	1,723,538.97		1	1	0.000	0.000
Accrued Interest at Purchase		46,444.44	46,444.44					
Subtotal		1,769,983.41	1,769,983.41					
Total Cash and Investments	160,022,345.11	160,110,887.90	159,969,712.51		105	20	1.705	1.729

Total Earnings	January 31 Month Ending	Fiscal Year To Date
Current Year	265,549.33	1,856,987.39
Average Daily Balance	182,966,292.71	151,487,418.22
Effective Rate of Return	1.71%	2.08%

"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

2/7/20

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 159,969,712.51
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 141,814.96
Total	\$ 160,111,527.47

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
January 31, 2020

(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 Call / Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations			16,098,806.14	16,098,806.14	16,098,806.14	1.120	1.120	1	
Subtotal and Average			14,940,804.61		16,098,806.14	16,098,806.14	16,098,806.14		1.120	1	
Federal Agency Coupon Securities											
3130AH7E7	993	Fed Home Loan Bank (Callable on 4/3/20)		12/19/2019	11,000,000.00	11,011,000.00	11,007,803.65	2.000	1.580	62	10/03/2022
Subtotal and Average			11,009,569.83		11,000,000.00	11,011,000.00	11,007,803.65		1.580	62	
Federal Agency Disc. -Amortizing											
313312TX8	988	Farm Credit Disc Note		12/19/2019	6,000,000.00	5,991,960.00	5,991,420.00	1.560	1.609	33	03/05/2020
313384UN7	987	Fed Home Loan Bank		12/20/2019	11,000,000.00	10,978,110.00	10,977,120.00	1.560	1.610	48	03/20/2020
313384TJ8	990	Fed Home Loan Bank		12/19/2019	7,200,000.00	7,194,456.00	7,193,800.00	1.550	1.598	20	02/21/2020
313384SR1	991	Fed Home Loan Bank		12/19/2019	11,000,000.00	10,999,560.00	10,998,565.42	1.565	1.612	3	02/04/2020
313384XL8	992	Fed Home Loan Bank		12/19/2019	11,000,000.00	10,944,340.00	10,944,113.89	1.550	1.605	118	05/29/2020
Subtotal and Average			71,067,019.26		46,200,000.00	46,108,426.00	46,105,019.31		1.607	48	
Treasury Discounts -Amortizing											
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,993,400.00	4,991,979.17	1.750	1.788	33	03/05/2020
912796TG4	994	US Treasury Bill		12/31/2019	5,000,000.00	4,996,500.00	4,996,120.83	1.470	1.514	19	02/20/2020
Subtotal and Average			11,271,479.66		10,000,000.00	9,989,900.00	9,988,100.00		1.651	26	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,132,772.35	75,000,000.00	1.967	1.967	1	
Subtotal and Average			74,677,419.35		75,000,000.00	75,132,772.35	75,000,000.00		1.967	1	
Total and Average			182,966,292.71		158,298,806.14	158,340,904.49	158,199,729.10		1.729	20	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
January 31, 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	1,703,538.97	1,703,538.97	1,703,538.97		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		46,444.44	46,444.44			1
				Subtotal		1,769,983.41	1,769,983.41			
Total Cash and Investments			182,966,292.71		160,022,345.11	160,110,887.90	159,969,712.51		1.729	20

Orange County Fire Authority

In service of others!



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

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	(02/01/2020 - 02/01/2020)	4 Maturities	0 Payments		92,822,345.11	58.04%	92,822,345.11	92,955,117.46
Aging Interval: 1 - 30 days	(02/02/2020 - 03/02/2020)	3 Maturities	0 Payments		23,200,000.00	14.50%	23,188,486.25	23,190,516.00
Aging Interval: 31 - 60 days	(03/03/2020 - 04/01/2020)	3 Maturities	0 Payments		22,000,000.00	13.73%	21,960,519.17	21,963,470.00
Aging Interval: 61 - 91 days	(04/02/2020 - 05/02/2020)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 92 - 121 days	(05/03/2020 - 06/01/2020)	1 Maturities	0 Payments		11,000,000.00	6.84%	10,944,113.89	10,944,340.00
Aging Interval: 122 - 152 days	(06/02/2020 - 07/02/2020)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 153 - 183 days	(07/03/2020 - 08/02/2020)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(08/03/2020 - 11/01/2020)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(11/02/2020 - 01/31/2021)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(02/01/2021 - 01/31/2023)	1 Maturities	0 Payments		11,000,000.00	6.88%	11,007,803.65	11,011,000.00
Aging Interval: 1096 days and after	(02/01/2023 -)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Total for		12 Investments	0 Payments			100.00	159,923,268.07	160,064,443.46



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 January 31, 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 December 31, 2019 is 1.001770298. When applied to OCFA's LAIF investment, the fair value is \$75,132,772 or \$132,772 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 January 31, 2020 is included on the following page.



Fair Value Including Accrued Interest	\$	101,307,906,612.59
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Orange County Fire Authority

Preliminary Investment Report

February 21, 2020



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
February 21, 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.
Money Mkt Mutual Funds/Cash	4,267,615.27	4,267,615.27	4,267,615.27	3.18	1	1	1.105	1.120
Federal Agency Coupon Securities	11,000,000.00	11,006,930.00	11,005,160.48	8.20	1,019	41	1.558	1.580
Federal Agency Disc. -Amortizing	39,000,000.00	38,915,030.00	38,912,494.72	29.00	103	52	1.583	1.605
Treasury Discounts -Amortizing	5,000,000.00	4,997,900.00	4,997,083.33	3.72	157	12	1.763	1.788
Local Agency Investment Funds	75,000,000.00	75,132,772.35	75,000,000.00	55.89	1	1	1.940	1.967
Investments	134,267,615.27	134,320,247.62	134,182,353.80	100.00%	120	19	1.772	1.797
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	666,388.94	666,388.94	666,388.94		1	1	0.000	0.000
Accrued Interest at Purchase		46,444.44	46,444.44					
Subtotal		712,833.38	712,833.38					
Total Cash and Investments	134,934,004.21	135,033,081.00	134,895,187.18		120	19	1.772	1.797

Total Earnings	February 21 Month Ending	Fiscal Year To Date
Current Year	150,672.75	2,007,660.14
Average Daily Balance	150,313,301.51	151,382,941.73
Effective Rate of Return	1.74%	2.05%

"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

2/28/20

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 134,895,187.18
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 141,814.96
Total	\$ 135,037,002.14

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
February 21, 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			4,267,615.27	4,267,615.27	4,267,615.27	1.120	1.120	1	
Subtotal and Average			9,035,217.87		4,267,615.27	4,267,615.27	4,267,615.27		1.120	1	
Federal Agency Coupon Securities											
3130AH7E7	993	Fed Home Loan Bank (Callable on 4/3/20)		12/19/2019	11,000,000.00	11,006,930.00	11,005,160.48	2.000	1.580	41	10/03/2022
Subtotal and Average			11,006,419.13		11,000,000.00	11,006,930.00	11,005,160.48		1.580	41	
Federal Agency Disc. -Amortizing											
313312TX8	988	Farm Credit Disc Note		12/19/2019	6,000,000.00	5,997,420.00	5,996,880.00	1.560	1.609	12	03/05/2020
313384UN7	987	Fed Home Loan Bank		12/20/2019	11,000,000.00	10,988,120.00	10,987,130.00	1.560	1.610	27	03/20/2020
313384XL8	992	Fed Home Loan Bank		12/19/2019	11,000,000.00	10,954,460.00	10,954,059.72	1.550	1.605	97	05/29/2020
313384VR7	995	Fed Home Loan Bank		02/04/2020	11,000,000.00	10,975,030.00	10,974,425.00	1.550	1.598	54	04/16/2020
Subtotal and Average			45,754,864.70		39,000,000.00	38,915,030.00	38,912,494.72		1.605	52	
Treasury Discounts -Amortizing											
912796TH2	982	US Treasury Bill		09/30/2019	5,000,000.00	4,997,900.00	4,997,083.33	1.750	1.788	12	03/05/2020
Subtotal and Average			9,516,799.80		5,000,000.00	4,997,900.00	4,997,083.33		1.788	12	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,132,772.35	75,000,000.00	1.967	1.967	1	
Subtotal and Average			75,000,000.00		75,000,000.00	75,132,772.35	75,000,000.00		1.967	1	
Total and Average			150,313,301.51		134,267,615.27	134,320,247.62	134,182,353.80		1.797	19	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
February 21, 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	646,388.94	646,388.94	646,388.94		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		46,444.44	46,444.44			1
				Subtotal		712,833.38	712,833.38			
Total Cash and Investments			150,313,301.51		134,934,004.21	135,033,081.00	134,895,187.18		1.797	19

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of February 22, 2020

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	(02/22/2020 - 02/22/2020)	4 Maturities	0 Payments	79,934,004.21	59.28%	79,934,004.21	80,066,776.56
Aging Interval:	1 - 30 days	(02/23/2020 - 03/23/2020)	3 Maturities	0 Payments	22,000,000.00	16.30%	21,981,093.33	21,983,440.00
Aging Interval:	31 - 60 days	(03/24/2020 - 04/22/2020)	1 Maturities	0 Payments	11,000,000.00	8.14%	10,974,425.00	10,975,030.00
Aging Interval:	61 - 91 days	(04/23/2020 - 05/23/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	92 - 121 days	(05/24/2020 - 06/22/2020)	1 Maturities	0 Payments	11,000,000.00	8.12%	10,954,059.72	10,954,460.00
Aging Interval:	122 - 152 days	(06/23/2020 - 07/23/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(07/24/2020 - 08/23/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(08/24/2020 - 11/22/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(11/23/2020 - 02/21/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(02/22/2021 - 02/21/2023)	1 Maturities	0 Payments	11,000,000.00	8.16%	11,005,160.48	11,006,930.00
Aging Interval:	1096 days and after	(02/22/2023 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			10 Investments	0 Payments		100.00	134,848,742.74	134,986,636.56



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 to exceed 1/4 of a percent of the earnings.

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

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

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

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

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

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

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

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

Yield. Rate of return on a bond.

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

ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



Orange County Fire Authority **AGENDA STAFF REPORT**

Executive Committee Meeting
March 26, 2020

Agenda Item No. 2C
Consent Calendar

Professional Labor Negotiation Services

Contact(s) for Further Information

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Summary

This item is submitted for approval to renew the contract for Professional Labor Negotiation Services with Peter Brown of Liebert Cassidy Whitmore (LCW).

Prior Board/Committee Action

At the May 25, 2017, Board of Directors meeting, a contract with Peter Brown/LCW was approved for a three year term not to exceed \$100,000 per year. At the June 28, 2018, Executive Committee meeting, the contract was increased to \$125,000 per year.

RECOMMENDED ACTION(S)

Approve and authorize the Purchasing Manager to extend the Professional Services Agreement with Peter Brown, Liebert Cassidy Whitmore, for professional labor negotiation services for a three-year term (July 1, 2020, to June 30, 2023), at an annual amount not-to-exceed \$125,000.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funds are budgeted annually at \$125,000 per year for ongoing labor negotiation services.

Background

In December 2013, the Board of Directors appointed Peter Brown of Liebert Cassidy Whitmore (LCW) to serve as OCFA's professional labor negotiator. Since 2013, Mr. Brown has negotiated multiple Memorandums of Understanding (MOUs) with the Fire Authority's four labor groups:

- One-year MOU (Nov. 2014 - Oct. 2015) with the Orange County Professional Firefighters Association (OCPFA)
- Three-year MOU (Dec. 2014 - Dec. 2017) with the Orange County Employees Association (OCEA)
- Three-year MOU (June 2015 - June 2018) with the OCFA Management Association (OCFAMA)
- Four-year MOU (July 2016 - June 2020) with the OCFA Chief Officers' Association (COA)
- Four-year MOU (Sept. 2016 – Aug. 2020) with OCPFA
- Five-year Firefighter Healthcare Agreement (2017 – 2021) with OCPFA
- Three-year MOU (June 2018 - June 2021) with the OCFA Management Association (OCFAMA)
- Three-year MOU (Aug. 2018 - Aug. 2021) with the Orange County Employees Association (OCEA)

Mr. Brown remains very responsive to OCFA's needs for labor negotiation services, and he is currently engaged in the midst of negotiating a new MOU between OCFA and OCPFA, and between OCFA and the COA. In addition, during the latter half of next fiscal year, it will be time to negotiate new MOUs with OCFAMA and OCEA. As a result, staff is recommending approval to renew our Professional Services Agreement with Mr. Brown for a three-year term (July 1, 2020, to June 30, 2023) with an annual contract amount not to exceed \$125,000.

Attachment(s)

None.