



ORANGE COUNTY FIRE AUTHORITY

AGENDA

EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, October 22, 2020

5:30 P.M.

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, CA 92602

Shelley Hasselbrink, Chair

Vince Rossini, Vice Chair

Ed Sachs • Gene Hernandez • Joe Muller

Noel Hatch • Dave Shawver • Don Wagner • Elizabeth Swift

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 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

INVOCATION by OCFA Chaplain Jim Gwaltney

PLEDGE OF ALLEGIANCE by Director Shawver

ROLL CALL

REPORTS

A. Report from the Budget and Finance Committee Chair

B. Fire Chief's Report

- Quarterly CIP Update

PUBLIC COMMENTS

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

1. PRESENTATIONS

No items.

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 September 24, 2020, Regular Executive Committee Meeting

Submitted by: Maria D. Huizar, Clerk of the Authority

Recommended Action:

Approve as submitted.

B. Monthly Investment Reports

Submitted by: Tricia Jakubiak, Treasurer

Budget and Finance Committee approved at the October 14, 2020, meeting.

Recommended Action:

Receive and file the reports.

C. Los Alamitos Joint Forces Training Base (JFTB) Civil Aircraft Permit and Hold Harmless Agreement

Submitted by: Pokey Sanchez, Deputy Chief/Emergency Operations Bureau and Vincent Carpino, Division Chief/Special Operations

Recommended Actions:

1. Approve and authorize the Fire Chief or his designee, to execute the proposed Hold Harmless Agreement with the United States Army to utilize the Los Alamitos Joint Forces Training Base (JFTB) airfield.
2. Authorize the Fire Chief to execute annual renewals of the Hold Harmless Agreement.

3. DISCUSSION CALENDAR

No items.

CLOSED SESSION

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, November 19, 2020, at 5:30 p.m.

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.

Maria D. Huizar, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Budget and Finance Committee Meeting
Human Resources Committee Meeting
Executive Committee Meeting
Board of Directors Meeting

Wednesday, November 4, 2020, 12 noon
Tuesday, November 10, 2020, 12 noon
Thursday, November 19, 2020, 5:30 p.m.
Thursday, November 19, 2020, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting
Thursday, September 24, 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 September 24, 2020.

INVOCATION

Chaplain Robert Benoun offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Chair, Shelley Hasselbrink, Los Alamitos
Vice Chair, Vince Rossini, Villa Park*
Noel Hatch, Laguna Woods*
Joe Muller, Dana Point
Gene Hernandez, Yorba Linda*
Dave Shawver, Stanton*
Elizabeth Swift, Buena Park*
Donald P. Wagner, County of Orange*

Absent: Ed Sachs, Mission Viejo

Also present were:

Fire Chief Brian Fennessy
Deputy Chief Lori Zeller
Assistant Chief Robert Cortez
Assistant Chief Lori Smith
Assistant Chief Kenny Dossey
General Counsel David Kendig

Deputy Chief Pokey Sanchez
Assistant Chief Randy Black
Assistant Chief Jim Ruane
Assistant Chief Stephanie Holloman
Dir. of Communications Colleen Windsor
Clerk of the Authority Maria D. Huizar

1. PRESENTATIONS

No items.

REPORTS

A. Report from the Budget and Finance Committee Chair (FILE 12.02A6)

Budget and Finance Committee Chair Gene Hernandez reported at the September 9, 2020, meeting, the Committee voted unanimously to approve and forward the Fourth Quarter Financial Newsletter, Annual Investment Report, and the Monthly Investment Reports to the Executive Committee to receive and file the reports. The Committee also voted unanimously to approve and forward the Carryover of FY 2019/20 Uncompleted Projects, and Organizational Service Level Assessment Results & Approval of Next Phase of Citygate Services to the Board of Directors for approval of the recommended actions.

B. Report from the Human Resources Committee Chair (FILE 12.02A6)

Human Resources Chair Vince Rossini reported at the September 1, 2020, meeting, the Committee received and filed presentation updates on both the Fleet Services and Orange County Fire Authority Management Association (OCFAMA) Classification and Compensation Studies. The Committee also voted to approve and forward the Amended and New Classification Specifications to the Executive Committee for approval.

PUBLIC COMMENTS

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

1. PRESENTATIONS

No items.

2. CONSENT CALENDAR

On motion of Director Hernandez and second by Director Wagner, and following a roll call vote, declared passed 8-0 (Director Sachs absent) to approve the Items 2A-2G, and 2I- 2J as submitted.

A. Minutes from the July 23, 2020 Regular Executive Committee Meeting (FILE 12.02A2)

Action: Approve as submitted.

B. Monthly Investment Reports (FILE 11.10D2)

Action: Receive and file the reports.

C. Fourth Quarter Financial Newsletter (FILE 15.07)

Action: Receive and file the report.

D. Annual Investment Report (FILE 11.10D1)

Action: Receive and file the report.

E. Amended and New Classification Specifications (FILE 17.18)

Action:

1. Amend the Wildland Resource Planner classification with a change to the salary allocation from SM80 (high of \$50.52/hour) to SM100 (high of \$62.82/hour).
2. Adopt the new Payroll Supervisor classification and assign the salary allocation to SM 88 (high of \$54.75).
3. Adopt the new Training Program Analyst classification and assign the salary allocation to GE380 (high of \$49.30).

F. Mission Driven Culture Organizational and Leadership Development (FILE 17.16A)

Action: Approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with Mission Centered Solutions for a two-year term in an amount not to exceed \$391,700 (Year One - \$209,300, Year Two - \$182,400) to continue providing Mission Driven Culture education development training.

G. Ventilation Training Prop (FILE 19.09A)

Action: Approve and authorize the Purchasing Manager to issue a purchase order to Fire Vent, LLC, utilizing the sole source procurement provision in the Purchasing Ordinance for the purchase of a ventilation training trailer for an amount not to exceed \$68,480 plus applicable sales tax (\$5,307).

H. Reconciliation of Emergency Procurements in Response to the COVID-19 Pandemic (FILE 18.08A13)

Director Wagner pulled this item for clarification of sources of reimbursements.

On motion of Director Wagner and second by Director Muller, and following a roll call vote, declared passed 8-0 to approve and authorize the emergency procurement reconciliation in response to the COVID-19 Pandemic that require subsequent Executive Committee ratification, as detailed herein.

I. Purchase of one (1) Caterpillar Mini Excavator (FILE 19.09A)

Action: Approve and authorize the Purchasing Manager to issue a purchase order to Quinn Company, for the purchase of one (1) Caterpillar Mini Excavator in an amount not to exceed \$172,938.75.

J. Increase to Agreement for Engineering and Construction Management Services for OCFA Training Grounds Upgrades (FILE 19.07B25)

Action: Approve and authorize the Purchasing Manager to cancel the purchase order with RSSE (remaining balance of \$573,400) and issue a professional services agreement with HMC Architects and corresponding one-time purchase order in an amount not to exceed \$880,400 for services in support of the RFOTC Training Grounds Upgrades Project.

3. DISCUSSION CALENDAR

No items.

CLOSED SESSION

No items.

COMMITTEE MEMBER COMMENTS

The Committee Members offered no comments.

ADJOURNMENT – Chair Hasselbrink adjourned the meeting at 5:42 p.m. The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, October 22, 2020, at 5:30 p.m.

Maria D. Huizar, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 22, 2020

Agenda Item No. 2B
Consent Calendar

Monthly Investment Reports

Contact(s) for Further Information

Robert Cortez, Assistant Chief,
Business Services Department

robertcortez@ocfa.org

714.573.6012

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

Budget and Finance Committee reviewed the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee for approval by a 8-0 vote (Farias absent).

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 August 31, 2020. A preliminary investment report as of September 25, 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 – August 2020/Preliminary Report – September 2020

Orange County Fire Authority Monthly Investment Report



Final Report – August 2020

Preliminary Report – September 2020



Monthly Investment Report Table of Contents

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Orange County Fire Authority

Final Investment Report

August 31, 2020



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of August 2020, the size of the portfolio decreased by \$21.5 million to \$150.5 million. Significant receipts for the month included cash contract payments, an apportionment of property taxes, intergovernmental agency and grant payments and other charges for current services totaling \$6.9 million. Significant disbursements for the month included primarily two biweekly payrolls which were approximately \$13.0 million each with related benefits. Total August cash outflows amounted to approximately \$27.2 million. The portfolio's balance is expected to decrease in September as there are no major receipts scheduled for the month.

In August, the portfolio's yield to maturity (365-day equivalent) declined by 4 basis points to 0.49%. The effective rate of return decreased by 2 basis points to 0.43% for the month, and the average maturity of the portfolio shortened by 14 days to 16 days to maturity.

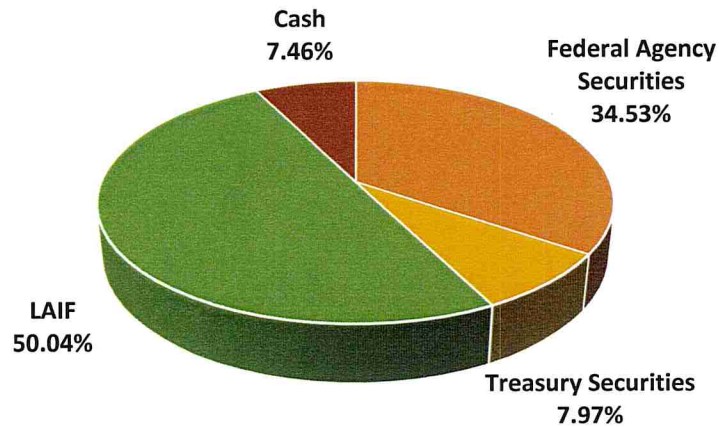
Economic News

The U.S. economy continued to recover in August after the steep decline triggered by the coronavirus pandemic. The labor market added 1.4 million jobs, and the unemployment rate fell for the fourth straight month from 10.2% to 8.4%. Retail sales rose 0.6%, but the rebound slowed as federal relief for jobless Americans and small businesses dried up and the pandemic continued to weigh on activity. Consumer confidence measures fell unexpectedly to their lowest levels in six years as households grew increasingly worried about the economy following a sustained surge in coronavirus cases this summer. Both manufacturing and non-manufacturing/service sector grew in August. Industrial production - the combined output of factories, utilities, and mines - rose for the fourth consecutive month but at a much lower rate than earlier this summer, a sign the manufacturing recovery is slowing. The Consumer Price Index rose for the third straight month. Prices were up 0.4% from last month and 1.7% from last year. Existing homes sales rose 2.4% to a 14 year high as prices jumped 11.4% from a year ago. New home sales rose 4.8% and prices declined 4.3% following a 6.3% increase the month before. On September 16, 2020, the Federal Open Market Committee voted to keep the federal funds rate unchanged at the target range of 0.0% - 0.25% where it has been since March. The Fed also indicated it will hold interest rates at that range at least until 2023 to help the U.S. economy recover from the pandemic.

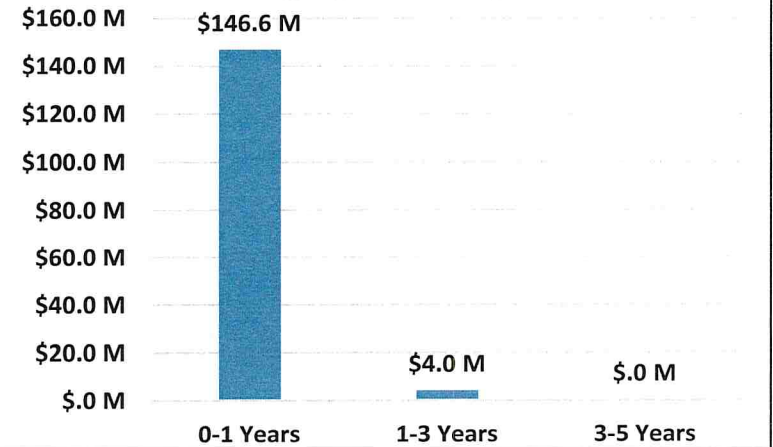


PORTFOLIO HAS AMPLE LIQUIDITY AND IS EXCEEDING TREASURY BENCHMARKS AS OF AUGUST 31, 2020

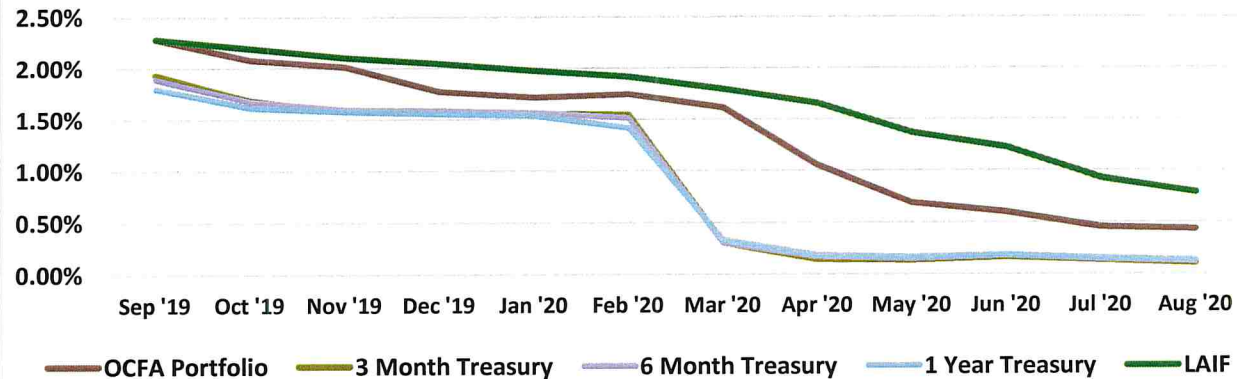
Market Value \$150,606,222



Aging Summary



12 Month Benchmarks



**BENCHMARK COMPARISON AS OF AUGUST 31, 2020**

3 Month T-Bill: 0.10%

1 Year T-Bill: 0.13%

6 Month T-Bill: 0.12%

LAIF: 0.78%

OCFA Portfolio: 0.43%

PORTFOLIO SIZE, YIELD, & DURATION

	<u><i>Current Month</i></u>	<u><i>Prior Month</i></u>	<u><i>Prior Year</i></u>
<i>Book Value-</i>	\$150,598,712	\$172,131,134	\$146,709,174
<i>Yield to Maturity (365 day)</i>	0.49%	0.53%	2.26%
<i>Effective Rate of Return</i>	0.43%	0.45%	2.25%
<i>Days to Maturity</i>	16	30	27



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
August 31, 2020

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

		(See Note 1 on page 10)	(See Note 2 on page 10)					
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	4,000,000.00	4,002,040.00	4,001,847.05	2.88	1,092	49	0.404	0.410
Federal Agency Disc. -Amortizing	48,000,000.00	47,996,160.00	47,994,966.67	34.53	145	31	0.117	0.118
Treasury Discounts -Amortizing	12,000,000.00	11,998,560.00	11,998,093.33	8.63	105	44	0.132	0.134
Local Agency Investment Funds	75,000,000.00	75,368,459.63	75,000,000.00	53.96	1	1	0.773	0.784
	139,000,000.00	139,365,219.63	138,994,907.05	100.00%	91	16	0.481	0.487
Investments								
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	11,240,752.07	11,240,752.07	11,240,752.07		1	1	0.000	0.000
Accrued Interest at Purchase		250.00	250.00					
Subtotal		11,241,002.07	11,241,002.07					
Total Cash and Investments	150,240,752.07	150,606,221.70	150,235,909.12		91	16	0.481	0.487

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	58,138.87	127,406.83
Average Daily Balance	157,611,665.96	168,906,935.05
Effective Rate of Return	0.43%	0.44%

"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

9/4/20

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 150,235,909.12
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 362,803.09
Total	\$ 150,598,712.21

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

(See Note 1 on page 10)

(See Note 2 on page 10)

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		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			10,877,469.21		0.00	0.00	0.00		0.000	0	
Federal Agency Coupon Securities											
3135G03D3	1005	Fed Natl Mortg Assoc (Callable on 10/20/20)		04/23/2020	4,000,000.00	4,002,040.00	4,001,847.05	0.750	0.410	49	04/20/2023
Subtotal and Average			4,002,376.00		4,000,000.00	4,002,040.00	4,001,847.05		0.410	49	
Federal Agency Disc. -Amortizing											
313396J20	1000	Freddie Mac		04/23/2020	12,000,000.00	11,999,040.00	11,998,863.33	0.110	0.113	31	10/02/2020
313396G49	1001	Freddie Mac		04/23/2020	12,000,000.00	11,999,640.00	11,999,376.67	0.110	0.113	17	09/18/2020
313396E66	1002	Freddie Mac		04/23/2020	12,000,000.00	11,999,880.00	11,999,890.00	0.110	0.113	3	09/04/2020
313384P45	1008	Fed Home Loan Bank		06/30/2020	12,000,000.00	11,997,600.00	11,996,836.67	0.130	0.134	73	11/13/2020
Subtotal and Average			55,734,377.42		48,000,000.00	47,996,160.00	47,994,966.67		0.118	31	
Treasury Discounts -Amortizing											
9127962R9	1009	US Treasury Bill		07/02/2020	12,000,000.00	11,998,560.00	11,998,093.33	0.130	0.134	44	10/15/2020
Subtotal and Average			11,997,443.33		12,000,000.00	11,998,560.00	11,998,093.33		0.134	44	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,368,459.63	75,000,000.00	0.784	0.784	1	
Subtotal and Average			75,000,000.00		75,000,000.00	75,368,459.63	75,000,000.00		0.784	1	
Total and Average			157,611,665.96		139,000,000.00	139,365,219.63	138,994,907.05		0.487	16	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
August 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		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	11,220,752.07	11,220,752.07	11,220,752.07		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		250.00	250.00			1
				Subtotal		11,241,002.07	11,241,002.07			
Total Cash and Investments			157,611,665.96			150,240,752.07	150,606,221.70	150,235,909.12	0.487	16

Orange County Fire Authority

In service of others!



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of September 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	(09/01/2020 - 09/01/2020)	4 Maturities	0 Payments	86,240,752.07	57.40%	86,240,752.07	86,609,211.70
Aging Interval:	1 - 30 days	(09/02/2020 - 10/01/2020)	2 Maturities	0 Payments	24,000,000.00	15.97%	23,999,266.67	23,999,520.00
Aging Interval:	31 - 60 days	(10/02/2020 - 10/31/2020)	2 Maturities	0 Payments	24,000,000.00	15.97%	23,996,956.66	23,997,600.00
Aging Interval:	61 - 91 days	(11/01/2020 - 12/01/2020)	1 Maturities	0 Payments	12,000,000.00	7.99%	11,996,836.67	11,997,600.00
Aging Interval:	92 - 121 days	(12/02/2020 - 12/31/2020)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(01/01/2021 - 01/31/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(02/01/2021 - 03/03/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(03/04/2021 - 06/02/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(06/03/2021 - 09/01/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(09/02/2021 - 09/01/2023)	1 Maturities	0 Payments	4,000,000.00	2.66%	4,001,847.05	4,002,040.00
Aging Interval:	1096 days and after	(09/02/2023 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			10 Investments	0 Payments		100.00	150,235,659.12	150,605,971.70



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 (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, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) 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 August 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 June 30, 2020 is 1.004912795. When applied to OCFA's LAIF investment, the fair value is \$75,368,460 or \$368,460 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 August 31, 2020 is included on the following page.



Fair Value Including Accrued Interest	\$	114,412,734,779.37
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Orange County Fire Authority

Preliminary Investment Report

September 25, 2020



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
September 25, 2020

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

(See Note 1 on page 19)

(See Note 2 on page 19)

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	4,000,000.00	4,001,160.00	4,000,904.68	3.28	1,092	24	0.404	0.410
Federal Agency Disc. -Amortizing	24,000,000.00	23,998,560.00	23,997,700.00	19.67	149	27	0.122	0.123
Treasury Discounts -Amortizing	19,000,000.00	18,998,590.00	18,998,176.06	15.57	95	35	0.114	0.116
Local Agency Investment Funds	75,000,000.00	75,368,459.63	75,000,000.00	61.48	1	1	0.773	0.784
	122,000,000.00	122,366,769.63	121,996,780.74	100.00%	81	12	0.530	0.538
Investments								
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	6,558,375.21	6,558,375.21	6,558,375.21		1	1	0.000	0.000
Accrued Interest at Purchase		250.00	250.00					
Subtotal		6,558,625.21	6,558,625.21					
Total Cash and Investments	128,558,375.21	128,925,394.84	128,555,405.95		81	12	0.530	0.538

Total Earnings	September 25 Month Ending	Fiscal Year To Date
Current Year	45,489.82	172,896.65
Average Daily Balance	139,817,064.27	160,547,776.78
Effective Rate of Return	0.48%	0.45%

"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

10/2/20

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 128,555,405.95
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 362,803.09
Total	\$ 128,918,209.04

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
September 25, 2020

(See Note 1 on page 19)

(See Note 2 on page 19)

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		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			10,741,232.31		0.00	0.00	0.00		0.000	0	
Federal Agency Coupon Securities											
3135G03D3	1005	Fed Natl Mortg Assoc (Callable on 10/20/20)		04/23/2020	4,000,000.00	4,001,160.00	4,000,904.68	0.750	0.410	24	04/20/2023
Subtotal and Average			4,001,357.02		4,000,000.00	4,001,160.00	4,000,904.68		0.410	24	
Federal Agency Disc. -Amortizing											
313396J20	1000	Freddie Mac		04/23/2020	12,000,000.00	11,999,880.00	11,999,780.00	0.110	0.113	6	10/02/2020
313384P45	1008	Fed Home Loan Bank		06/30/2020	12,000,000.00	11,998,680.00	11,997,920.00	0.130	0.134	48	11/13/2020
Subtotal and Average			33,596,536.13		24,000,000.00	23,998,560.00	23,997,700.00		0.123	27	
Treasury Discounts -Amortizing											
9127962R9	1009	US Treasury Bill		07/02/2020	12,000,000.00	11,999,640.00	11,999,176.67	0.130	0.134	19	10/15/2020
9127963B3	1010	US Treasury Bill		09/10/2020	7,000,000.00	6,998,950.00	6,998,999.39	0.083	0.085	62	11/27/2020
Subtotal and Average			16,477,938.81		19,000,000.00	18,998,590.00	18,998,176.06		0.116	35	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,368,459.63	75,000,000.00	0.784	0.784	1	
Subtotal and Average			75,000,000.00		75,000,000.00	75,368,459.63	75,000,000.00		0.784	1	
Total and Average			139,817,064.27		122,000,000.00	122,366,769.63	121,996,780.74		0.538	12	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
September 25, 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		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	6,538,375.21	6,538,375.21	6,538,375.21		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		250.00	250.00			1
				Subtotal		6,558,625.21	6,558,625.21			
Total Cash and Investments			139,817,064.27		128,558,375.21	128,925,394.84	128,555,405.95		0.538	12

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of September 26, 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	(09/26/2020 - 09/26/2020)	4 Maturities	0 Payments	81,558,375.21	63.44%	81,558,375.21	81,926,834.84
Aging Interval: 1 - 30 days	(09/27/2020 - 10/26/2020)	2 Maturities	0 Payments	24,000,000.00	18.67%	23,998,956.67	23,999,520.00
Aging Interval: 31 - 60 days	(10/27/2020 - 11/25/2020)	1 Maturities	0 Payments	12,000,000.00	9.33%	11,997,920.00	11,998,680.00
Aging Interval: 61 - 91 days	(11/26/2020 - 12/26/2020)	1 Maturities	0 Payments	7,000,000.00	5.44%	6,998,999.39	6,998,950.00
Aging Interval: 92 - 121 days	(12/27/2020 - 01/25/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 122 - 152 days	(01/26/2021 - 02/25/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 153 - 183 days	(02/26/2021 - 03/28/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(03/29/2021 - 06/27/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(06/28/2021 - 09/26/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(09/27/2021 - 09/26/2023)	1 Maturities	0 Payments	4,000,000.00	3.11%	4,000,904.68	4,001,160.00
Aging Interval: 1096 days and after	(09/27/2023 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		9 Investments	0 Payments		100.00	128,555,155.95	128,925,144.84



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, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) 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 \$75 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

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

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

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

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

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

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

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

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

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

Yield. Rate of return on a bond.

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

ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
October 22, 2020

Agenda Item No. 2C
Consent Calendar

**Los Alamitos Joint Forces Training Base (JFTB) Civil Aircraft Permit
and Hold Harmless Agreement**

Contact(s) for Further Information

Pokey Sanchez, Deputy Chief Emergency Operations Bureau	marksanchez@ocfa.org	714.573.6014
Vincent Carpino, Division Chief Special Operations	vincentcarpino@ocfa.org	714.573.6761

Summary

This agenda item is submitted to request approval of a Hold Harmless Agreement in the form of the proposed Civil Aircraft Hold Harmless Agreement. This agreement will allow for the regular arrival and departure of OCFA aircraft at Joint Forces Training Base, Los Alamitos.

Prior Board/Committee Action(s)

Not Applicable.

RECOMMENDED ACTION(S)

1. Approve and authorize the Fire Chief or his designee, to execute the proposed Hold Harmless Agreement with the United States Army to utilize the Los Alamitos Joint Forces Training Base (JFTB) airfield.
2. Authorize the Fire Chief to execute annual renewals of the Hold Harmless Agreement.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

In the past, the OCFA has entered into agreements to temporarily use property owned by another entity, such as IRWD for training exercises, as unilateral agreements in which the OCFA is asked to hold another party harmless with no reciprocal indemnification. Under the hold-harmless agreement, the property owner consents to a specified use with the OCFA being responsible for any harm to the property or persons associated with OCFA's use of the property. The attached Hold Harmless Agreement is a standard Unified States Armed Forces agreement that cannot be modified. The form Agreement has been reviewed by General Counsel and is recommended by staff for approval.

Attachment(s)

Proposed Hold Harmless Agreement

CIVIL AIRCRAFT HOLD HARMLESS AGREEMENT

OMB No. 0701-0050

The public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Washington Headquarters Services, Executive Services Directorate, Information Management Division, 1155 Defense Pentagon, Washington, DC 20301-1155 (0701-0050). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SEND COMPLETED FORM TO THE ADDRESS IN NOTE 2 ON BACK.

NOTE: THIS FORM DOES NOT CONSTITUTE A CIVIL AIRCRAFT LANDING PERMIT.

Please read Privacy Act Statement and Instructions on back before completing this form.

If additional space is required, continue on back.

1. THE USER NAMED BELOW, IN CONSIDERATION OF PERMISSION GRANTED BY THE UNITED STATES ARMED FORCES UNDER PL 85-726, 49 USC SECTION 44502(d), TO USE MILITARY AIRFIELD FACILITIES, AGREES:

a. The User releases forever the United States, its agencies, and United States personnel, from every liability arising out of the use of the military airfield, supplies, or services, by the User. The User will defend, pay or settle every claim or suit against the United States, its agencies, and United States personnel, by agents or employees of the User or persons claiming through them, or by third parties, and will hold the United States, its agencies, and United States personnel, harmless against every such claim or suit, including attorney fees, costs, and expenses, arising out of the use of the military airfield or military supplies or services, by the User.

EXCEPTION: Death, injury, loss or damage to persons or property resulting solely from the willful misconduct of United States personnel; and, in addition, any liability from another contract concerning the use of the military airfield, supplies, or services shall not be affected by the Hold Harmless Agreement.

b. The User will pay or settle every claim for death or injury to United States personnel, or for loss or damage to property of or under the control of the United States or United States personnel, arising out of the use of the military airfield or military supplies or services, by the User, unless the death, injury, loss, or damage results solely from the negligence or willful misconduct of United States personnel.

c. For the purposes of this agreement, the term "United States personnel" shall include:

(1) Military personnel and civilian employees of the United States, including non-appropriated fund employees, acting within the scope of their employment, and

(2) Heirs, successors, executors, administrators, and assigns of such employees.

d. The User will comply with all pertinent parts of applicable military regulations listed in NOTE 1 and local supplements, directives, and orders, which are hereby incorporated into this agreement.

e. This agreement replaces previous Hold Harmless Agreements, if any, by the same User, as of the date of this agreement. Termination by the User requires 60 days written notice to the military authority where the agreement was submitted.

NOTE 1

ARMY

AR 95-2 Can be viewed at:
<http://books.army.mil/cgi-bin/bookmgr/Shelves>

NAVY

32 CFR 766
Can be viewed at: <http://calp.navfac.navy.mil>

AIR FORCE

AFI 10-1001
Can be viewed at: <http://afpubs.hq.af.mil>

2. USER

a. **CORPORATION** (Name and address of divisions, subsidiaries, or companies of the parent organization named as user and for whom the user is legally liable should also be listed if this agreement is applicable to their use of military airfields.)

(1) TYPED COMPANY NAME(S)

Orange County Fire Authority

(2) COMPANY ADDRESS(ES)

1 Fire Authority Road, Irvine, CA 92602

b. INDIVIDUAL OR FIRST CORPORATE OFFICER

(1) TYPED NAME (Last, First, Middle Initial)

Fennessy, Brian

(2) ADDRESS (If corporation, may state "Same as Above")

Same as Above

(3) SIGNATURE (Blue Ink)

(4) TITLE (If corporate officer)

Fire Chief

3. VERIFICATION (Complete if the user is a company, corporation, etc.)

I hereby verify that the signatory above holds the position indicated and is duly authorized to sign on behalf of the User.

a. SECOND CORPORATE OFFICER

(1) TYPED NAME (Last, First, Middle Initial)

Ruane, Jim

(2) SIGNATURE (Blue Ink)

(3) TITLE

Assistant Chief

4. DATE SIGNED (YYYYMMDD)

PRIVACY ACT STATEMENT

AUTHORITY: 49 U.S. Code, Section 44502(d).

PRINCIPAL PURPOSE(S): Indicates certification by an individual or corporation to hold the U.S. Government harmless in consideration of permission granted for the operation of civil aircraft into military aviation facilities. Used in conjunction with DD Forms 2400 and 2401. It is maintained indefinitely.

ROUTINE USE(S): None.

DISCLOSURE: Voluntary; however, failure to provide this information will result in an individual or corporation being unable to operate civil aircraft into a military aviation facility.

5. REMARKS (If additional space is required, continue here. Refer to item number.)

INSTRUCTIONS

1. Form must be filed along with DD Forms 2400 and 2401 to obtain a civil aircraft landing permit.
2. Complete all applicable items and submit to appropriate addresses in Note 2 below.
3. If the user is a corporation/company, all blocks must be completed and the form must be signed by two different corporate officers. If the user is an individual, only Items 2b and 4 should be completed.
4. Original, handscribed signatures are required. Signature stamps, camera copied signatures, or any type of facsimile signatures are unacceptable.
5. This form is available under DefenseLINK, Publications.

ARMY	NAVY	AIR FORCE
NOTE 2 COMMANDER USAASA, ATTN: ATAS-AS BLDG 1466 9325 GUNSTON RD, SUITE N319 FT BELVOIR, VA 22060-5582 (703) 806-0686	COMMANDER NAVAL FACILITIES ENGINEERING COMMAND CODE: REAT WASHINGTON NAVY YARD 1322 PATTERSON AVE. S.E., SUITE 1000 WASHINGTON, DC 20374-5065 (202) 685-9202	HQ USAF/A30-AC 1480 AIR FORCE PENTAGON RM 5E857 WASHINGTON, DC 20330-1480 (703) 697-5967